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9 April 1981

NEAR EAST/NORTH AFRICA REPORT

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EUROPE SEEN AS KEY IN BREAKING MIDEAST STALEMATE

London 8 DAYS in English 28 Feb 81 pp 6-13, 60

[Article by Robert Pouliot and Marian Houk: "Looking Around for a Peace Divided"]

[Text] *This year promises to be an interesting one in western approaches to the Arab-Israeli conflict. Seldom, if ever, has a US leader been quicker to insult the PLO and dismiss Palestinian rights than Ronald Reagan. Yet the more realistic of his advisers and cabinet members know that the Palestinian people and their national movement can no longer be left out of any serious address to peace.*

Alexander Haig has said that there are 'elements' in the PLO whom the Americans might talk to in the future. To Chase Manhattan's David Rockefeller, the PLO is 'a force to be reckoned with' and Carter's former Middle East expert Harold Saunders urged the new president to consider holding talks with the PLO.

But it is left to the Europeans to marshal the options and work out the details of a western approach. With apparent energy, and real uncertainty, the EEC Ten are shuffling into line for the next crucial phase of the 'European initiative'.

Dutch Foreign Minister Christoph van der Klaauw is to visit 13 Arab countries and the US over the next three months, to explore ways of breaking the impasse in Arab-Israeli relations. He is armed with a working paper, drawn up following a similar mission last year by

former Luxembourg Prime Minister Gaston Thorn, van der Klaauw's predecessor as EEC council president.

These visits are expected to yield a refined version of the working paper. Then, in July, British Foreign Minister Lord Carrington takes over the EEC presidency in the wake of the Israeli elections.

The Arab League has supported the European initiative as a constructive move, but attacked the EEC for inviting President Sadat into the Euro-Arab dialogue due to resume in July. 'The same position was behind the dialogue's failure to produce anything for over a year,' said Secretary General Chedli Klibi last week.

The key is the linkage between the dialogue and the initiative. Do the Europeans intend to deal with the Arabs on their own terms, or are they after a cosmetic political arrangement which opens the way for more trade dividends from the Gulf?

In their overtures to Israel and the US, will the Ten end up seeking to keep alive the discredited 'Jordanian option' and fall in with a strategy which tries to drive a wedge between Palestinian and Palestinian?

IN THE LAST WEEK of January, a series of quiet meetings took place in Brussels at the headquarters of the European Community. Present were a dozen top 'Eurocrats' headed by Claude Cheysson, the European commissioner for development assistance, and three deported Palestinians: the mayors of Hebron and Halhul, Fahwed Kawasmeh and Mohammed Milhem, together with Hanna Nasir, president of the Bir Zeit University near Ramallah on the West Bank.

The aim of the meetings was to explore the means to apply a decision taken a few weeks back by the Community: if Palestinians scattered across neighbouring Arab countries had indirect access to aid programmes from the EEC, there was still a gap to be filled when it came to the territories under Israeli occupation. Certainly the United Nations, aside from the activities of UNRWA, had provided a lead since 1979 through its development programmes (over \$3m earmarked for the West Bank and Gaza Strip), but most projects have been blocked by the Israeli authorities.

The significance of the EEC move on aid, however, is more political. It lies in the general context of its Middle East initiative and the more active role it is now seeking in this strategic area. Though branded as 'pure tokensim' by some PLO sources, the fact that such meetings took place just before President Sadat's visit to Europe — another move engineered by Claude Cheysson at the request of the Egyptians while he was in Cairo in December, and relayed to European parliament president Simone Weil — was no mere coincidence.

While Community funds for agricultural projects, possibly of around \$1m, could be allocated directly to specific communities and municipalities, aid for educational institutions such as Bir Zeit University would need to be matched by programmes sponsored through non-governmental organisations. Commented one participant: 'Why so many headaches when we can get much more from Arab countries?' This member resented the fact that the talks were held informally, on the insistence of the European side. If the EEC really wants to help the Palestinians, says Naim Khader, the PLO's representative in Brussels, it needs to offer a more extensive aid programme, or it will serve only to give Europe a 'good conscience'.

Although modest, even symbolic, such aid is part of a larger effort the EEC is trying to pull together this year to strengthen its

role in the Middle East. The meetings on aid may just reflect the principle that Palestinians from the West Bank, East Jerusalem and the Gaza Strip should have a more decisive role in any self-determination scheme than other Palestinians and crystallise major differences among European partners over the role that would be devoted to the PLO.

Other aspects of the European effort are:

- Resumption of the Euro-Arab Dialogue scheduled for July in London, for which an agenda is to be drafted at the end of February through a preparatory meeting of the ministerial committee.

- Refining of the basic working document on Arab-Israeli relations adopted last December at the EEC ministerial meeting in Luxembourg. Dutch Foreign Minister Christoph Van Der Klaauw is making a Middle East tour to consult heads of states on the European ideas, beside exchanging views with US Secretary of State Alexander Haig.

- The accession of Britain's Foreign Secretary Lord Carrington, an accomplished diplomat, to the EEC presidency in July, soon after the Israeli elections and, probably, the session of the Palestine National Council.

Each of those steps will be crucial to the fate of the European initiative in the light of President Reagan's approach to the Middle East. The greatest fears among Arab officials in Europe centre on the Euro-Arab dialogue and the re-emergence of a European attempt, sponsored by France and West Germany, to set up privileged relations with Gulf oil exporting states to the detriment of poorer Arab nations, including the Palestinians.

The EEC commission for external economic relations has just adopted a report on the need to enhance commercial links between European and Gulf countries, and its conclusions are expected to be submitted next month to the European parliament. A debate on this issue and the European initiative is scheduled to take place on 29-30 March in Abu Dhabi, when the Euro-Arab Parliamentary Association will hold a seminar with some 200-300 participants. The crucial aspect of the Euro-Arab dialogue is its linkage with the European initiative. Although Europe finally agreed on linkage last November, nothing concrete yet has emerged and unless the EEC commits itself more deeply, Arabs working on the resumption of the talks do not expect much from them.

The big crunch will come with the production of a new working paper with Dutch minister Van Der Klaauw's tour of the Middle East is expected to yield. So far, two major principles have been expressed in the EEC working paper:

- Israeli withdrawal from the West Bank and Gaza over two years, simultaneous to a normalisation process (a principle taken from the Camp David agreements), and with only minor amendments to the original borders provided that each side is compensated geographically. A key element for the mix of demilitarised zones, limitations on arms and the stationing of UN troops is that the same security measures must be taken by both sides on the basis of similar geographical depth.

- No mention whatsoever is made of the PLO as the representative of the Palestinians, while those currently living in the West Bank, East Jerusalem and the Gaza Strip would have a majority vote inside any elected assembly, an idea unacceptable to the PLO.

Although the ultimate target remains extremely fuzzy — between a Palestinian state, a Jordanian-Palestinian federation or a confederation with Israel — one possibility envisaged by the working document is to distinguish between Jewish settlements established before 1948, such as Kfar Etzion, originally built in 1943, and those created after 1967, which would need to be dismantled. There is obviously no way that the PLO can take an official stand about the total document but it is understood that some officials, including Yasser Arafat, have reacted positively to the latter idea. This is because it would open the gate to Palestinians willing to return to their pre-1948 settlements. As for East Jerusalem, an issue tackled by Italy while the British handled the security problem and France the subject of self-determination, all options, including that of a joint administration put forward by President Sadat, are open.

The European visit of the RAIS reflects the EEC's concern to prevent a further

isolation of Egypt and the underlying quest to find common ground between the Camp David agreements, the old Allon Plan now taken over by the Israeli Labour leadership of Peres-Eban under the new slogan of the 'Jordanian option' and mounting pressure from the Middle East to recognise the PLO.

Palestinians in Europe were hoping last autumn to make a political breakthrough in France with the bid of Michel Rocard to be the Socialists' candidate in this year's presidential elections. Much more open to their cause than Francois Mitterrand, whose attendance of the opening session of the Israeli Labour Party convention in Jerusalem last December was seen as a 'slap' to the Arabs, Rocard was welcomed at Beirut Airport last month by a Palestinian guard of honour, an exceptionally warm welcome for a politician who is now condemned to play second fiddle following the withdrawal of his challenge against Mitterrand. With that hope now dashed, Palestinians feel increasingly uncomfortable with the prospect of a Socialist victory in the elections, an outcome which could entail a rapprochement with the expected new Labour government in Israel. After all, even Austrian Chancellor Bruno Kreisky, refused to support a resolution recognising the PLO at the last Socialist International gathering last autumn, to avoid weakening Shimon Peres' electoral platform.

With conflicting winds blowing, the PLO is concerned that President Sadat may try to revive the European initiative. 'If he succeeds,' says Naim Khader, 'it will be an act of political sabotage.'

The challenge facing Lord Carrington thus appears to be extremely critical. Senior British diplomats in Europe have lately been predicting that major diplomatic activities are bound to resume as soon as Carrington takes over the EEC presidency. Lord Carrington believes that Britain is really the only country within the EEC capable of undoing what it originally pieced together when Palestine was under its mandate.

The EEC's Working Paper: An Analysis

THE THIRTY-ONE PAGE European document adopted by the EEC heads of state in Luxembourg in December, which elaborates the principles contained in the Venice Declaration on the Middle East announced last June, remains unpublished.

Supposedly limited in distribution only to member states of the EEC, the working paper — or knowledge of its contents — have however been rather selectively leaked. Excerpts were published at the end of December in a French-language Belgian paper, and Fulvio Grimaldi reported an outline of the document from Italian foreign ministry sources in the 17 January issue of *8 Days*. Recent diplomatic visitors to Amman have found King Hussein very well briefed on the Europeans' attitude and one or two 'trial balloons' coming from unofficial but well-connected PLO sources, showing some response to positions taken in the European working paper, are being circulated from Beirut and Cairo.

EEC sources had earlier indicated that the document would be kept under lock and key until late this spring — so as not to present the Reagan administration with a fait accompli in its first days in office. But reports from the visit of the Dutch Foreign Minister Christoph van der Klaauw to the Middle East might lead to publication. Van der Klaauw, it seems, has been soliciting comments on points raised in the documents, and has annoyed the French.

Three of the four sections of the document — dealing with Israeli withdrawal, Palestinian self-determination, and security (the fourth section deals with Lebanon) — were prepared primarily by France and Britain. Sections dealing with Jerusalem were prepared by Italy, with assistance from the Vatican. The document is intended to help prepare the way for an 'eventual initiative' on Palestine by the European Community.

The document reveals that the EEC sees its participation in an initiative in the following ways:

- The EEC (Ten, with the accession of Greece) can help in the creation of a 'climate of confidence' necessary for negotiations to get started. This would involve sounding-out the issues concerned on their "political will" to engage in negotiations based on the two fundamental principles contained in the Venice

Declaration — the right to existence and security for all the states in the region, and justice for all the peoples, which implies recognition of the legitimate rights of the Palestinian people.

The Community will insist that withdrawal, based on the application of UN Security Council Resolution 242, means to the 4 June 1967 borders. Minor adjustments can be made if, and only if, they are agreed to by the parties in the negotiations.

- On self determination, the Community can help in setting up a 'transition authority', which would be charged with organising a referendum, or with creating a constituent assembly which would then either organise a referendum or itself choose between the four options as the Nine now sees them. These are: a totally independent state; a federation, or a confederation, with Jordan; an entity associated with both Jordan and Israel.

The transition authority would also be in charge of administration of the occupied territories during Israeli withdrawal and the return of Palestinian refugees, and would be responsible for security in those territories. The EEC, while acknowledging the broad support the PLO manifestly has, does not want the PLO to be the transition authority. The document suggests instead that the UN, or Jordan, or some authority composed of residents of the occupied territories — perhaps including Israeli settlers — fulfil this function.

The referendum, the document proposes, should include more than just the residents of the West Bank and Gaza, but perhaps less than the whole Palestinian diaspora. But because the residents of the West Bank and Gaza will constitute the majority of the population of the new Palestinian entity, the EEC suggests that perhaps the vote should be weighted in their favour.

The questions which raise the issues most potentially disturbing to the Arabs are addressed in the section on self-determination. Which Palestinians should be consulted, how should these consultations take place? And when? In the EEC view, since the residents of the West Bank and Gaza will constitute the majority of the population, their consent to the form of the political solution that is chosen is essential, and their interests must be

preserved. As to the right of return for Palestinians living outside the occupied territories, the Nine say that UN General Assembly Resolution 194 (1948), which was sponsored by the western countries, remains valuable. The principle of the right of return, the European document says, can 'only with difficulty be contested by the EEC. But its application must be submitted to an accord negotiated between the parties. In practice, it is convenient to express in any case doubts as to knowing if there will be more than a small number of Palestinians who could or would be able to return to Israel itself.'

● The Community would endorse the reciprocal political undertakings and the technical guarantees for security that would be arrived at in the course of the negotiations. The political undertakings should include an end to states of belligerence and to the use or threats of force; mutual recognition of sovereignty and political independence of each of the parties, and of their right to live within secure and recognised boundaries, and a schedule for an end to hostilities (including propaganda, armed incursions, boycotts, prevention of the free movement of peoples and goods, and a repartition of water) which would be linked to Schedule Two for the normalisation of relations. The technical guarantees include creation of demilitarised zones on both sides of borders, reduction of forces, and monitoring.

● The EEC would — with the rest of the international community — endorse the mutually-recognised frontiers arrived at in the negotiations. While no other member of the United Nations has such a guarantee of its boundaries, the Community feels that this would be appropriate in the situation, in light of the resolution admitting Israel to the UN on 11 May, 1949.

● The EEC could give economic, industrial, and financial guarantees to support the negotiated settlement, possibly involving the preparation of a development plan for the whole region, which would help reintegrate returning Palestinian refugees.

The EEC could represent the interests of the Christian world in the holy places of Jerusalem.

On Jerusalem, the Community suggests that withdrawal, according to Resolution 242, does not exclude East Jerusalem, but that the future of Jerusalem as a whole must be determined in the negotiations. 'Some

think that the question of Jerusalem should be left aside during the first stage of negotiations and treated later. Others think that it's so complex it should be dealt with first, to eliminate a serious obstacle on the road to peace,' the document states, pointing out that the situation of Jerusalem in international law is not yet precisely defined. But the EEC does not recognise the partition between Israel and Jordan (established in the ceasefire accord of 30 November 1948 and the armistice accord of 3 April 1949), the Knesset proclamation of Jerusalem as the capital of Israel (23 June 1950), the de facto annexation of East Jerusalem in 1967, or the fundamental law passed by the Knesset on 30 July 1980 proclaiming Jerusalem as the united and reunified capital of Israel.

The document contains several different proposals for Jerusalem: internationalisation of the entire city; a new plan of partition, which would give legal value to the situation that existed between 1948 and 1967; 'condominium' between Israel and the Arabs (which would involve joint sovereignty); internationalisation of the old city, meaning everything within the city walls, where most of the holy places are, which 'would give the old city the character of the Vatican'; and a formula which would include common administration without physical divisions (either keeping de facto unity, without specifying respective sovereignty, or dividing sovereignty without any actual physical division of the city on the ground). On the last proposal, Jerusalem would be ruled by a municipal authority composed of elected Israelis and Palestinians. Religious places would be under the exclusive administration of religious authorities.

Under the 'condominium' proposal, the old city would be administered by a special representative named by the Security Council for a determined number of years, and would require the parties to renounce their sovereignty over the old city. This proposal could be combined and made compatible with most of the first three options.

● On Lebanon, even before negotiations begin — because the situation is critical — the EEC will continue to support Unifil (United Nations Interim Forces in Lebanon), will respond positively to Lebanese requests for Security Council consideration of the situation, and will

study requests for reviving the Israeli-Lebanon mixed armistice commission.

In line with the Venice Declaration, the document says that the settlements created by Israel in the occupied territories are illegal under international law, but suggest that perhaps those established before the creation of the state of Israel could be treated differently. The documents note that the Camp David peace treaty establishes a precedent by calling for the dismantlement of settlements in the Sinai, and suggest this could be applicable to future negotiations. They also suggest that Israeli settlers might remain in a Palestinian entity, even retaining their Israeli citizenship, parallel to the situation of Palestinians living in the state of Israel.

As to the question of who the Palestinian people are, the documents note that the Arabs have considered this a subject for internal Palestinian debate. 'While this may seem just in principle,' the document states, 'this will have, in practice, to be allowed to be taken up in the negotiations, to create in Israel enough confidence in the future to agree to withdraw.'

The United Nations can play a pivotal role at certain points in the plan, according to the document. In a formulation remarkably similar to that of the Security

Council resolution that cost Andrew Young his job as United States ambassador to the UN, postponed and subsequently vetoed by the US, the EEC proposes a Security Council resolution that would recognise the rights of all states in the region to live within sure, recognised, and guaranteed borders, and the right of the Palestinian people to self-determination in the context of a peace settlement. This resolution would help give an impetus to negotiations by giving the Palestinians what Resolution 242 does not: the right to self-determination. And it would enable the PLO to accept Resolution 242 in a package deal with this new resolution.

The Security Council can also be called upon to determine the options which will be voted on in the referendum, and the transition authority. The Council will also guarantee the mutually-agreed borders arrived at in the negotiations, as well as the peace settlement itself. The outcome of such negotiations will be given to the Security Council to deposit in the UN, and the Security Council will approve the terms by one or more resolutions. Infractions will be dealt with by the Council, and it will create and be responsible for the creation of an international force — which cannot be withdrawn for a minimum of five years.

OAPEC HEAD AGAINST TWO-TIER OIL PRICE

Kuwait KUWAIT TIMES in English 26 Feb 81 p 3

[Text]

NEW DELHI, Wed. — Dr. Ali Attiga, Secretary-General of the Organisation of Arab Petroleum Exporting Countries (OAP-EC), said here today that he was against the concept of two-tier pricing for oil.

Dr Attiga explained that proper pricing "is the only signal that consumers understand, that oil is a scarce commodity". He completely ruled out the concept of helping developing countries through a system of a lower oil price for them and a higher price for the developed countries.

Attiga said that there were other ways in which the developing countries could cooperate with each other. Among the developing countries, he included the oil exporting countries. He said there could be an exchange of know-how between the developing countries and pointed out that the oil exporting countries were giving much more to the Third World in terms of aid than were the industrialised developed nations.

INDIA

Dr Attiga said he was most impressed by the recent technological developments in India, especially in the field

of oil and gas processing. This Indian technology was needed by the Oapec nations and there could be much cooperation between India and the oil exporting countries in this sphere, he said.

Regarding investment from the oil exporting countries in the Third World, Dr Attiga said that such investment was difficult as the Third World, which included India, did not have a modern money and capital market.

He said it was natural that investors from the oil exporting countries wanted a share in equity and not merely an adequate return in the form of interest. He regretted that foreign equity participation was not allowed in many spheres by several developing countries.

OPEC'S ROLE

Dr. Attiga made it clear that Oapec is not an oil selling or price determining organisation. These functions are carried out by the Organisation of Petroleum Exporting Countries (Opec).

On the visit of his delegation to India, Dr. Attiga said "we are impressed by what we have seen". He said that Indian achievements, particularly in oil processing, were not well-known and needed to be publicised. Oapec would inform its member Governments about Indian achievements in this field.—Kuna

INTER-ARAB AFFAIRS

BRIEFS

LOAN FOR ITALIAN FIRM--\$75 million loan facility was signed on Sunday 1st March 1981 in Kuwait between Societa Finanziaria Meccanica Finmeccanica SPA, Rome, Italy with a group primarily of Arab banks, a release said yesterday. The facility, which was arranged by the National Bank of Kuwait and which will be made available to the borrower through Creditanstalt-Bankverein of Vienna on behalf of the banks, is intended to finance the borrower's priority development projects. It carries a total life of 7 years and has a floating rate of interest over the London Interbank offered rate (Libor). Aside from the National Bank of Kuwait, which will also be acting as agent, the loan was also managed by Abu Dhabi Investment Co, Arab Bank Limited, Arab Banking Corporation, European Arab Bank, Group Kuwait Foreign Trading, Contracting and Investment Co. and Lavoro Bank International. --KUNA [Text] [Kuwait KUWAIT TIMES in English 2 Mar 81 p 3]

UASC CONTAINER SHIPS PURCHASE--United Arab Shipping Company (UASC) is to expand its fleet with six new container ships, and is studying the possibility of operating cargo vessels for transporting cars and grain. The company is jointly owned by Iraq, Saudi Arabia, Qatar, Bahrain, Kuwait and the UAE, and it handles about 40 per cent of the Gulf's cargo traffic. According to a company spokesman, UASC will increase its operations by 40 per cent this year to approximately 4.3m tonnes of cargo. [Text] [London 8 DAYS in English 28 Feb 81 p 36]

CSO: 4620

NEW BODIES CREATED BY ICO

London 8 DAYS in English 7 Mar 81 pp 38-39

[Article by Jamal Rasheed]

[Text]

ALTHOUGH the political and economic resolutions passed by the Islamic Summit in Taif have not yet been published, *8 Days* has seen the complete text. Most of the economic resolutions passed were a redrafted version of the Ankara Plan, which was first presented to the Conference of Islamic Economic Cooperation in 1980. In addition, a number of organisations, under the general direction of the Jeddah-based Islamic Conference, have been set up:

- The Islamic Centre for Development of Trade will be located in Tangiers, Morocco, and is shortly to have its 1981 budget approved. Its main objectives will be to coordinate the commercial policies of member states and promote trade orientated investments in ICO countries. Its proximity to Europe will also enable the Centre to increase trade between Islamic countries and the West, especially as Morocco has considerable experience in dealing with the EEC. The organisation will have a permanent information centre to help governments and businessmen to sell their goods. Funding for the Centre will come from annual contributions from Muslim states.

- The Islamic Shipowners Association will be based in Jeddah as an affiliated body of the ICO. Pakistan, already one of the largest ship owning countries in the Islamic world, has been a driving force behind this Association, largely in order to secure Arab investments in maritime trade. Saudi Arabia is also reported to be keen to promote joint ventures with experienced

of the ICO which will cover all aspects of sea trade, from marine pollution to ship building. It will be funded by membership fees.

- The \$1bn special fund to the Sudan-Sahelian zone was a Saudi initiative resulting from President Jaafar Numeiri's appeal. The Summit has set up a Committee of Islamic Solidarity with the Peoples of the Sahel to coordinate relief work in the drought stricken areas.

- The Islamic Development Bank (IDB) has been given the task of promoting development in the poorest countries. Its subscribed capital has been raised by the Summit to 'Islamic dinars' 2bn, which is equivalent to \$2.4bn.

The redrafted section of the Ankara Plan's energy section - the plan of action - proved disappointing for many of the poorer Asian and African countries. This section was reworked many times and the final declaration merely calls for 'encouraging greater cooperation among Muslim states in the areas related to the production of energy.' Some of the less developed Muslim countries felt they had struggled in vain for more substantial commitments from the wealthier states.

Islamic shipping countries in order to reduce its heavy dependence on western shipping companies for imports and exports. The Association will draw up a unified policy to ensure that Islamic maritime companies are used for all trade between Muslim countries. The Association will be run by an executive committee comprised of 12 member states

CHADLI REASSERTS SUPREMACY OF FLN

Dakar AFRICA in French Feb 81 pp 23-24

[Article: "Chadli Reasserts Supremacy of FLN"]

[Text] Changing course or backing a turn? The decisions made by the Central Committee of the National Liberation Front (FLN) (sole party) which has just regained some influence in the political life of Algeria are likely to have a deep effect on the lives of Algerians.

The authorities are trying hard to minimize the results of the last congress in December and they are quick to call it a one-time technical readjustment called forth by the prevailing situation solely to reinforce the basic achievements of the Algerian revolution. However, observers did not fail to see in it a new episode of the political struggle which has rocked the different groups in power since President Chadli's accession a little over two years ago, as well as the tactical skills of a man who today justifies the distrust of him harbored by members of the former administration.

It is true that President Chadli took over gently but he did so with a masterfulness which is quite typical of this former military leader who is more prone to muffled action than to revolutionary verbiage. So after reorganizing the party under the guise of giving it adequate means to fulfill effectively the orienting, directing and controlling mission assigned to it by the national charter and the constitution, the President managed to oust a certain number of the administration's "barons," most of them friends of President Boumedienne and all attached to their privileges. By granting them positions at the head of the party committee, he simultaneously ousted them from the administration where they held key positions.

At the same time, in the apparatus of government new men were quietly busy taking over the levers of control and advancing their ideas: witness Abdelhamid Brahimi, Minister of Planning, or Abdelhek Breehri, Minister of Higher Education, who intend to "decentralize, humanize, make things profitable and make people aware of their responsibilities."

To achieve this, they did not hesitate to draw the conclusions from the political and economic situation, to list the errors made in some area or other, and to give President Chadli full powers "to make the changes that he considered necessary at the head of the party and the State."

A new team

For the Chief of State, the second step then consisted in reorganizing the party whose political bureau was reduced from 17 members to seven members due to the disappearance of the "barons" among whom the two main figureheads were Abdelaziz Bouteflika and Mohamed Salah Yahiaoui. Thus placed under the direct control of the Chief of State who, in this fashion, had regained all of his predecessor's powers the party was reduced to an assembly of wise men without major prerogatives. At the same time, a new team of young technocrats who were completely behind the president's economic and social views was bringing new blood into the government. The third stage was ready to begin.

The third step lay in the restoration of order which was implemented during the last meeting of the FLN central committee; this time, the latter found itself confirmed in its role as the supreme political body in the country: thus, from 1 January, the article of the by-law stipulating that only party members can hold positions of responsibility within mass organizations (the peasantry, trade-unions, youth, women, etc.) is applied.

This was a stroke of genius that now allows President Chadli to oust all the elected officials of those organizations who diverged from the official ideology. A central disciplinary committee is even provided for, to be chaired by the Chief of State himself.

Through the decentralization of its structures and the setting up of coordinating councils for the country's thirty-one provinces (wilayas), the party has provided the government with the dynamic mechanisms it needs to implement its new policy which has been outlined as follows: priority will be given to the two highly strategic areas of energy and health.

The Central Committee thus reasserted Algeria's desire to bring the price of its natural gas in alignment with that of petroleum; it also provided for a periodic review of medium-and long-term hydrocarbon exports in order to gradually reduce them. The creation of a "higher organization which is responsible for following up on the implementation of a strategy henceforth centered on preservation of oil deposits, an increase in the value of natural gas prices and utilization of alternative sources,"--a sort of special committee which will include the highest FLN and government officials as well as army representatives and energy experts,--should play an essential role in a country where hydrocarbons constitute 90% of export resources.

In the field of health, the Central Committee reasserted its support of a national health plan that would meet real needs of the people and, it decided to "reorganize the health care sector within a unified and harmonious framework" in order to correct, among others, the uneven differences between urban and rural areas.

Finally, in answer to the rumors about Algeria's socialist options being called into question, the committee reasserted the country's non-alignment principles, its support of the Palestinian people's struggle as well as of "the SAHARAN people's political and military victims under the POLISARIO Front banner;" it also confirmed that it would "totally" support "President Chadli for the implementation of the masses' aspirations, the guarantee that the revolution will continue to be carried out and for construction of a socialist society."

It remains to be seen if this "restoration of order" will be enough to silence the grumbling of the different movements which are stirring outside of the FLN. The difficult economic situation that Algeria is going through could provide them with a providential alibi.

ROLE OF ENERGY IN NEW INTERNATIONAL ORDER

Algiers EL MOUDJAHID in French 27-28 Feb 81 p 4

[Text] Since the last century, oil has continually been both the basic tool of Western economic development and one of the stakes in a dual struggle--on one hand, the struggle to perpetuate imperialist domination and, on the other, the struggle of peoples to free themselves from domination. Both a tool for the liberation of individuals and the exploitation of peoples, oil has continually been present in every aspect of economic and political emancipation.

The decolonization movement prompted the establishment, by the dominant countries, of a strategy aimed at perpetuating lasting domination in other ways, in particular a new international division of labor based mainly on imperialism's control of the natural resources of dominated countries.

Socialism's success worldwide and the structural crisis of capitalism strengthened the Third World's movement to demand equal rights while revealing the sharpness of the contradictions jarring international relations.

Today we are aware of the effects of World War II, the Tehran and Yalta agreements on world organization, with spheres of influence, the special international status of the great powers and reorganization of the world economy in favor of a few countries.

International law, which gave expression to these basic principles, is today faced with requirements made necessary by the new awareness of Third World countries and their desire for economic freedom.

With the concept of a "new economic order" as its basis, a new legal order will emerge with the challenging of the concepts and techniques of traditional international law.

The question of energy, particularly in the case of oil and gas, will profoundly influence this demand for a new order, giving it greater impetus that will lead to a number of disputes, crises and even conflicts.

Beyond the theoretical debate concerning the concept of the new order, we believe that the important thing is the question of the consistency, credibility and viability of the instruments, mechanisms and techniques used to challenge, replace or transcend the arsenal of theoretical and practical principles of traditional international law.

The recovery of natural resources, particularly energy resources, nationalization and the desire for development constitute the main factors in challenging the old order.

The past decade saw the old structure shaken by the blows of the demand for equality at the same time that a new order was taking shape behind a passing facade of inconsistency and contradiction. But it is characteristic of an emerging law for there to be a gap between the socioeconomic reality and its legal expression.

From a theoretical standpoint, it is the job of the Third World jurist, drawing on his knowledge of law and related disciplines, to organize the form and content of emerging principles with a view to integrating them into consistent structures.

Besides grievances resulting from the sovereignty, equity and system of colonial exploitation, attempts to challenge the old order are also fueled by the unequal legal relationships dominating the formation of contracts. Oil-producing nations, aware of the pillage to which they are subject by oil companies, have begun to demand a fairer distribution of profits. The tests of strength which have characterized this demand, while simultaneously destroying the myth of the invulnerability of multinational corporations, have taken the challenge to the level of the principle of sovereignty of nations over their own wealth, a principle that has been established and extended by the institutions of the United Nations.

Outright rejection of the "concession institution" system, nationalization of the oil industry and assertion of the right to development have shaken the traditional legal system.

The concession system, an internal product of Western law, adopted and internationalized by the oil companies and Western arbitrators, will undergo changes, even drastic changes.

Originally established as an agreement between a public agency and a company, the concession contract is one of the most elaborate structures of administrative law, by its very nature implying dominant control of the public authority.

We are aware of the way in which the concession has been used to divest producing nations of their wealth and to give oil companies veritable extraterritorial status. We are also aware that when sovereignty changes hands, the concession contract also changes, emerging from its legal and national territorial context to claim international status.

The participation contract inaugurated by the Mattei ENI [National Hydrocarbons Agency] will drastically change the concession contract, eliminating the right of proprietorship to the area of prospecting, mining rights and discoveries and making the parties subject to the law "of the strongest."

The collective action of producing countries, particularly within OPEC, will accentuate the challenge to this system. After acquiring the right of inspection with regard to setting prices, OPEC dealt a decisive blow to the hegemony of corporations by declaring sovereign establishment of prices in 1973. Since that time, resistance has eroded and the basic demands of producing countries have been achieved at the same time that the most sacred provisions of the concession contract were affected: periodic revision of principal clauses, modification of the tax system, setting of prices, control of production levels, control of company operations.

Nationalization has been just as important a factor in challenging the old legal order. First and foremost, it is a direct attack on the very foundation of capitalist society, i.e., the sacred and inviolable right to private property. After that has been achieved, international law will gradually be decolonized and freed from the monopoly of capitalist ideology and will be characterized by the sovereign equality of nations.

The principle of permanent sovereignty of nations over their own natural resources, established by numerous UN resolutions, will lead to the formulation of other principles destined to serve as a basis for the new order's legal structures.

But the right of peoples to their own natural resources and the right to development, while simultaneously constituting a challenge to the old legal structure, also prompt a reaction by the traditional legal system's supporters, who use their guile to preempt and manipulate the new proposals to their own advantage.

Thus the achievements of oil-producing countries are gradually reduced and ultimately eroded by means of so-called contracts for "economic development," technical assistance or transfer of technology.

It seems obvious, therefore, that if the battle for oil has been won, the battle for development has only just begun.

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GAS PRICE NEGOTIATIONS, ENERGY POLICY DISCUSSED

Gas Battle

Algiers REVOLUTION ET TRAVAIL in French 21 Feb 81 p 11

[Text] While our country is celebrating the 10th anniversary of the nationalization of hydrocarbons, a milestone in Algeria's fight to recover its natural wealth and to use it to develop an independent national economy, negotiations with French companies and the U.S. Government are continuing concerning Algeria's demand to increase the price of its gas, gradually alining it with that of crude oil.

The misgivings expressed concerning Algeria's demand are reminiscent of the difficult negotiations of 1970-71, which preceded the historic decisions of 24 February 1971. They remind anyone who would like to forget that multinational corporations and imperialism do not readily give up their positions in the world market and the profits which they have long extracted from the natural wealth of "underdeveloped" countries.

LNG: A Very Costly Method

Algeria has sizable deposits of natural gas whose remaining proven recoverable reserves amounted to 2,700 billion cubic meters as of 1 January 1979, plus probable reserves of 950 billion cubic meters and proven reserves of associated natural gas (contained in oil pools) amounting to 500 billion cubic meters. These reserves and the industry established by Algeria for their exploitation make the country one of the largest producers and developers of gas in the world. Cumulative production of natural gas was approximately 77 billion cubic meters as of 1 January 1979, excluding associated gas flared off, or 10 billion cubic meters (this loss, this waste of exhaustible wealth is in principle destined to disappear, for the country's new energy policy provides for reinjection of this gas into hydrocarbon reservoirs). Gas production has risen over the years and its share of national energy consumption has also increased. Thus in 1969, natural gas accounted for 29 percent of national consumption (3.7 million tons petroleum equivalent), whereas in 1979 it was in first place, representing 54 percent of domestic energy consumed (14.1 million tons), even though a high percentage of natural gas is still reserved for export.

Gas is exported either in the form of "gaseous" natural gas through gas pipelines or in the form of liquefied natural gas (LNG) via ships or liquefied gas tankers.

Thus far, Algeria has chosen to use this second method, establishing a liquefied natural gas industry with three plants for this purpose (one at Skikda, two at Arzew: GNL-1 and GNL-2), thus becoming one of the six countries which export LNG and providing 50 percent of world exports (1978). Thus in 1979, Algeria exported 11.7 billion cubic meters of LNG.

Exports for 1979 are broken down as follows: 64 percent (USA), 25 percent (France), 5 percent (Spain), 5 percent (England).

The other negative features of the LNG method lie in dependence (because of the duration of contracts, 20 to 25 years), the inflexibility of the market, national industry's lack of participation, significant self-consumption of energy of approximately 20 percent, etc.

Gas, Petroleum Parity Principle

Among the various additional energy sources used to make up the oil deficit on the world market, gas represents the most likely intermediate-range solution because of its large, mobilizable reserves, its very high calorific value (amount of heat released by combustion of a certain amount of gas), its nonpollutant character and multiple uses (industrial, household consumption), etc.

World gas needs are thus bound to increase and gas could then emerge from its position as a marginal energy source, which it has been thus far. According to some forecasts, world imports of natural gas will amount to 223 billion cubic meters by 1985 and 523 billion cubic meters by the year 2000. World gas exports were approximately 160 billion cubic meters in 1978.

Start of New Phase

Algiers EL MOUDJAHID in French 27-28 Feb 81 p 1

[Article by A. Zouied]

[Text] It is a troublesome problem which the president of the republic, Chadli Bendjedid, included as an important item in his Batna speech. It is the matter of gas which, as he emphasized, "cannot become the means of our enslavement or of forcing us to bargain for the interests of our people, regardless of the power and threats of countries trying to use them against us."

Speaking soon after the break in Algerian-American negotiations concerning readjustment of the price of gas, which has been kept at an unusually low level, this clarification of Algeria's energy policy makes complete sense with respect to our country's determination to receive fair prices and the circumstances surrounding this break, whose commercial side cannot alone be considered in an analysis, as everyone is now aware of energy's strategic role. However, observers are becoming bogged down

guessing about the deep-seated reasons underlying this unilateral suspension of Algerian-American talks concerning the revision of the price of gas, no doubt aimed at putting pressure on Algeria at a time when certain chanceries are trying hard to spread doubt about its financial solvency. Thus it is with a feeling of confusion, mixed with a certain degree of apprehension about the future of Algerian-American relations, that some circles are still wondering about that misplaced move which seems ready to sacrifice the interests of both sides on the altar of a strategy with obvious designs.

It isn't necessary to have a very sharp nose to catch the scent.

In other words, all of Algeria's political determination to safeguard the chances of real cooperation with the United States has served no purpose.

Can Algeria therefore reasonably be expected to remain immobile, without reacting? Oddly, the American press gives the impression that Algeria is playing the role of a "mute" in this instance, as though it had received instructions to remain silent.

We have no other choice but to professionally conclude that the White House is making preparations before explaining to us why it threw the ball back to the El Paso company after the latter decided, 10 months before, to unilaterally stop its imports of Algerian gas on the grounds that from then on its operations were subject to the U.S. Government.

Quite obviously, the U.S. decision thus initiates a disturbing process of confrontation, whereas the Algerian policy of steadily valorizing its oil and gas resources has been responsibly moderate, but without acknowledging any cosovereignty over any national wealth whatsoever.

Moreover, it is not the least of paradoxes which we note in the case of the transatlantic partner, who claims to attach importance to cooperation with Algeria while seeking to dictate solutions contrar, to its interests and its legitimate rights.

For this reason alone, we can only remain skeptical concerning the possibility of preventing this matter from becoming a source of misunderstandings ... unless a clearer, more responsible discussion at a high government level begins without delay, before irreparable consequences occur.

For we do not believe that the impact of this unilateral decision on bilateral relations has been evaluated.

Without apparent concern for the effects which it could have, favoring harmful long-term instability, it should be set free from the narrowness of its underlying unsound strategy and reconsidered so that better cooperation will still be available. In doing so, the fact must not be overlooked that over the last decade Algeria meticulously forged the instruments of its energy policy and that, if necessary, it has the means needed to handle its responsibilities in the phase which it is now entering, in spite of all the obstacles which it would have to overcome.

In any case, if the oil battle is now part of the past, the gas battle is only just beginning, at a new pace.

It will no doubt be crowned with success.

KOMITEHS REVIEW REVOLUTIONARY ACTIVITIES, PLANS

Tehran KEYHAN in Persian 12 Feb 81 p 9

[Article: "The Revolutionary Corps, Guns in the One Hand, Books and Notebooks in the Other"]

[Excerpts] How were the Revolutionary Committees formed and to what extent have they been instrumental in suppressing counterrevolutionaries, agents of the former regime and those loyal to imperialism and Zionism? Before reviewing the history of the formation of the Central Committee and the activities of various other committees, their programs and the sacrifices made by martyrs who gave their lives for God, we would like to first thank the Public Relations Department of the Central Committee for all the assistance extended to us.

The committees were not formed according to a prepared plan. Nor were they organized by copying already existing ones. They are products of the efforts of people with ideological insight and the end result of initiatives and activities of a nation that knew what it wanted. It was the decrees of the Imam of the people which guided the searching masses and helped them lay the foundation of the revolutionary institutions.

After the revolution began showing itself in the faces of our youth and of the theological students in Qom, protesting against the shameful insults hurled at our religious leader by the Pahlavi regime, the militant clergy joined the masses to create the nucleus of a popular movement. This was followed by the actions of religious leaders in Tehran who began organizing the movement.

At the beginning, Tehran was divided into eight districts with a central council, composed of religious representatives of the various districts, responsible for the affairs of the clergy in the city. Decisions made by this council played a decisive role in the fall of the Pahlavi regime and the establishment of the Islamic Republic of Iran. The decisions included the strike on 15 Khordad 57 [5 June 79] and a later general strike throughout the country in protest against the Iraqi government decision to expel the Imam and decisions to hold marches on the occasions of the religious holidays of Petr, Ashura and Arba'in. At that time, the first volunteers for keeping orders during demonstrations registered in various mosques, under the direct supervision of the clergy. Their main responsibility was to prepare slogans, carry banners during demonstrations, keep order, help the injured and distribute foodstuffs, fuel and other necessities during the strikes.

Under such conditions, an emergency meeting of the council decided in a matter of minutes to become the center for receiving arms and ammunition. It did not take long for the entire yard of the Refah School to be filled with all sorts of arms and ammunition. The existence of so many arms in the school yard and the fact that some dangerous prisoners were being held in the school basement, and the shortage of experienced and trained guards created problems that had to be dealt with rather quickly. With the permission of the Imam, it was determined that people should take their arms to the mosques and get a receipt for them. But even these centers were not big enough to absorb the flood of arms and revolutionary elements that were flowing in. At this point, and under such conditions, armed people were divided into several groups. They were:

1. those who delivered their arms to the designated mosques;
2. those who, with the help of their friends and local residents, formed committees and began guarding their own districts;
3. those who hid their arms in order to be able to fight against a possible future threat to the revolution;
4. individuals and groups who, for reasons of self-interest or the interests of their organization, refused to deliver their state-owned arms.

At that time, Tehran was divided into 14 main regions for security purposes (with the exception of the Refah Center), with a united command and a number of local subcommittees, operating without direct contact with the center and without any organization. At this point, the 14 main committees were responsible for organizing and managing the armed units that were scattered throughout the city. These committees were under the militant clergy, while the Central Committee was under the supervision of Ayatollah Mahdavi Kani, who had taken over the job of coordinating the work of all the committees in the country. Another important decision of the Imam was the formation of the Revolutionary Courts to try the mercenary agents of the Pahlavi regime who had been responsible for the killing and torturing as well as the plundering of the state fund.

The reasons for the chaos in the committees during this period, which was mainly due to the events of the Islamic revolution, could be summarized as:

1. lack of public knowledge with regard to genuine Islamic culture;
2. lack of large-scale organization;
3. lack of managerial experience;
4. failure to make full use of the young and active forces in the committees' managerial level;
5. lack of experience in military and security affairs.

During this important period, and under conditions that the entire law-enforcement apparatus had been shattered, the committees were the only revolutionary institution that could attend to various problems in the country and, at the same time, fight against the corrupt and the counterrevolutionaries at different fronts which included:

1. fighting against American-led conspiracies aimed at the Islamic Revolution of Iran;
2. threats from leaders of the law-enforcement elements of the former regime whose hands were still red with the blood of the people;
3. plots by the SAVAK agents who were still active;
4. criminals, murderers, thieves and smugglers who had escaped from various prisons at the time of the victory of the revolution;
5. regular daily crimes such as robbery, murder, etc.

In spite of all that, and because of the revolutionary atmosphere coupled with the devoted actions by the committees, counterrevolutionaries were unable to penetrate the consolidated line of the nation.

With strict local control, many counterrevolutionaries were taken into custody and delivered to the revolutionary courts. Public alertness and zeal prevented people from committing crimes. Minor problems were easily settled and, with the help of Almighty God, the nation was able to weather the period without the existence of a proper organization, mainly because of:

1. the decisive and the prophetic leadership of the Imam;
2. the combining of the two elements of religion and solidarity;
3. the revolutionary zeal of the people and the fact that they had been overcome by Islamic and human feelings which made them more devoted and better prepared to face dangers without any materialistic considerations;
4. the participation of people in the committees from all walks of life, regardless of their social standing (most offices and plants were closed down at this time).

Among the armed elements belonging to the committees, who came from a wide area of society, there were some adventurers and counterrevolutionaries (that included extortionists, local hoodlums, SAVAK members and greedy pseudointellectuals, etc.) who, because of the domination by revolutionary elements, were not able to achieve anything and were purged as soon as they could be identified.

During that period, the Guards were not drawing any pay. The needs of their families and those of the committee members were being taken care of by the people. This moral and material support, given by the local people, was responsible for making the working of the committees popular.

Responsibilities of the committees at this period of time could be summarized as mainly security and public services. They followed no fixed and predetermined procedure and standard and were guided by their insight and initiatives. This mode of operation made it possible to accomplish much rather quickly but had its drawbacks too. It resulted in some mistakes in certain cases. At that period, committees generally convened in mosques but it could not continue like that for several reasons. Among them:

1. the shortage of space in mosques and lack of facilities for military and security programs;
2. differences of approach among the clergy and the Guards;
3. mistakes committed by the Guards which harmed the sanctity of the mosques.

The space problem was quickly solved because of the buildings abandoned by the fugitive members of the former regime.

But the resumption of normal activities by government and private agencies, revival of the mosques and security centers, the reopening of the schools and the universities brought about certain changes in the committees. Relative reactivation of security institutions reduced the need for the committees in the eyes of the people. Revolutionary and voluntary help by the people also decreased and so did the quality and quantity of the committees for the following reasons:

1. the reopening of offices and production centers;
2. the shaping of other revolutionary institutions such as the Guard Corps and the absorption of true revolutionary forces by them;
3. ideological weakness and the absence of implementation of necessary educational program;
4. lack of proper planning and coordinated organization;
5. despair among the Guards, caused by exaggeration of their mistakes and the belittling of their sacrifices;
6. the temporary condition of the committees and the emphasis on this by government officials;
7. weak management;
8. the decrease in revolutionary zeal and enthusiasm;
9. lack of relative financial security of the committees.

To fight the declining trend in the quality and quantity of the committees, a new period began with the Central Committee in charge. Officials began to prepare fixed programs and procedures. Little by little, and as a result of continuous efforts, the foundation of a new organization was laid to be able to stop the widening gap (by coalition of forces) and led the way to coordinated and organized affairs.

Various units of the Central Committee and of the 14 local committees began identifying various individuals, planning military training programs, and purging the unfit and the unsuitable. With the passing of time and with the expanding activities and the committees occupied with their basic job of fighting against the antirevolution, a new organization known as Imam Khomeyni's Relief Committee

was established. It became responsible for helping the injured in war and giving financial help to family members of the martyrs and assisting poor families. The new committee was also able to obtain billions of rials from usurers for return to their victims.

In the short time the committees have been formed, these revolutionary institutions along with other institutions such as the Revolutionary Courts, the Revolutionary Guards, the Organization for Reconstruction and so on, have accomplished a great deal, the most important being the following:

1. collection of arms and their distribution among qualified Revolutionary Guards of the committees for the preservation of law and order and the delivery of most of the arms to army garrisons;
2. the arrest of officials of the former regime and antirevolutionaries and their delivery to the Revolutionary Courts;
3. helping to rebuild and strengthen the army, police and the gendarmerie and providing for their needs, to the extent possible;
4. supporting the provisional government and the implementation of the revolutionary programs;
5. formation of relief committees and attracting the support of charitable people to help the poor. Also extending interest-free loans and taking care of helpless families, especially those of the martyrs and the injured, and helping to treat those wounded during the revolution;
6. the setting up of Islamic cooperatives to distribute necessities (and to fight against profiteering);
7. keeping order during various election stages and the referendum for the Islamic Republic of Iran;
8. protection and confiscation of the property of the corrupt for delivery to the Foundation of the Poor;
9. guarding and protecting the country's borders and calling for emergency mobilization to ward off antirevolutionary plots in such areas as in Gonbad, Khuzestan and Kordestan;
10. fighting against corrupt elements who had penetrated certain committees and also dissolving a number of committees;
11. fighting against those corrupt elements who, in the previous regime, had imposed themselves as spiritual leaders upon the struggling religious community;
12. preserving peace and order and security in rural and urban areas as well as on the frontiers;
13. guarding government and public buildings and properties;

14. preventing the smuggling of arms and drugs and carrying out an extensive fight against those involved in such activities;
15. fighting corruption and prostitution and closing centers of corruption;
16. fighting against usury in all its forms and shapes;
17. fighting against hoarding, profiteering and cheating;
18. settling disputes through mediation and in accordance to religious laws;
19. protecting farmlands and agricultural institutions;
20. helping to reactivate and reopen plants that were shut down during the revolution;
21. holding final school examinations throughout the country in an orderly manner;
22. cooperating with the municipality and the Bureau of Motor Vehicles, especially in connection with traffic;
23. dispatching preachers and clergymen and other responsible individuals to various parts of the country for the purpose of settling disputes and determining revolutionary policies;
24. setting up classes and public gatherings to teach Islamic ideology, especially in connection with the training of the Revolutionary Guards, and also giving them military and political education;
25. propaganda and dissemination of revolutionary thinking to people of various levels through slides, lectures and book exhibitions;
26. participation in the general mobilization plan for the creation of the 20-million-man army.

Following the discovery of the coup plot, committees played a vital role in the arrest of those involved, and also in the arrest of members of the Forqan group.

According to a new plan, the Revolutionary Guards of the Central Committee who are now stationed at police precincts, along with the Revolutionary Guards of local committees, will, in the near future, cooperate with police to help protect people against thieves and others trying to rob them of their property.

With the approval of disciplinary regulations for Revolutionary Guards of the Islamic committees, the doors to misdeeds by those Revolutionary Guards who so far have escaped identification and purge will be shut. If any Revolutionary Guard is found to have committed any wrong-doing, he will be arrested immediately. Minor violations will be dealt at the Central Committee level. Those accused of major crimes will be handed over to the Revolutionary Court for prosecution.

MAJLES COMMITTEES STUDY VARIOUS SOCIAL REFORMS

Tehran KEYHAN in Persian 17 Feb 81 p 2

[Text] Various committees of the Majles met yesterday to review different issues and made certain decisions. Following is a report of the meetings:

Endowments Committee

The Endowments Committee met yesterday morning to discuss ownership limitations, social justice and economy in the Islamic Republic. Discussions will continue in the next meeting.

Reconstruction Campaign Committee

Yesterday's meeting of the committee was attended by one of the members of the Central Council of the Reconstruction Campaign Organization. First, the budget for 1360 (21 March-20 March 81) and the organization's charter were discussed. Plans and letters received by the committee were discussed and proper actions and decisions taken.

Culture and Higher Education Committee

The Culture and Higher Education Committee reviewed a number of complaints and proper answers were drafted. At the same time, the committee decided to establish continuous direct contact with the Cultural Revolution headquarters, with a view to expanding the committee's activities into other fields and to exchanging information with the headquarters.

Foreign Affairs Committee

At the Foreign Affairs Committee meeting yesterday morning, following issues were reviewed:

1. In connection with the bill about the sale of Iranian shares in the Iran-Egypt Bank, committee members decided that any final decision on the subject had to be made with the overall relations between the two countries--cultural, economic and political--taken into consideration. It was decided, therefore, that a joint meeting of the Foreign Affairs Committee and the Economic and Finance Committee, with representatives from the Foreign Affairs Ministry and the Economic Affairs and Finance Ministry attending, be held to discuss various aspects of the problem.

2. The statement by the Algerian government in connection with the release of the American spies, which had been approved by the government of the Islamic Republic of Iran, and its concurrence with decisions made by the Majles, were reviewed. Further discussions about the subject were postponed until next session.

The Article Ninety Committee

At yesterday's meeting of the Article Ninety Committee, the bill for the reconstruction of human resources was read article by article. Different views of the committee members about the bill was aired at the end and it was decided that they be put together in the next meeting for presentation to the Employment and Administrative Committee.

Majles Internal Affairs Committee

At yesterday's meeting of the committee, the plan regarding political parties was discussed. Two chapters of the plan concerning definition of various groups and their rights were approved after some changes.

Housing and City Planning Committee

The meeting, which was also attended by a number of executive officials, as well as some who had submitted proposals regarding the first reading of the plan for lands within the city limits. The proposals, and later articles 1 and 2 were reviewed. The issues will be discussed further in the committee's next meeting.

The Education Committee also met yesterday morning.

Agriculture and Rural Development Committee

The committee met yesterday morning to make its final review of the joint plan for the fair distribution of water. Sixteen more articles were approved at yesterday's meeting.

Committee on Organizations Attached to the Prime Minister's Office

The committee met to review the bill amending laws concerning the National Olympic Committee.

The Committee on Inquiries

The committee met, with Deputy Interior Minister Mirsalim, who is in charge of the affairs of war refugees, attending. Inquiries made by Ali Moezzizadeh about housing, employment and clothing of the refugees were answered. It also decided to choose several people to prepare a full report about the condition of the refugees for the committee.

The Article Ninety Committee

The Committee of Article 90 of the Constitution of the Islamic Republic met yesterday afternoon to consider proposals submitted by several Majles representatives aimed at preparing an organizational framework for the committee.

The Commercial Affairs Committee

The committee, with full members attending, performed the following tasks:

- 1. reviewed the letters received and discussed their replies;**
- 2. reviewed methods of public polling;**
- 3. reviewed motives of Article 44 of the constitution.**

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EFFORTS EXERTED FOR SETTLEMENT OF WAR REFUGEES

Tehran ETTELA'AT in Persian 20 Jan 81 p 4

[Text] Borujerd (ETTELA'AT Correspondent)--The director of the Martyrs Foundation and representative of the people of Aligudarz in the Islamic Consultative Assembly, Hojjatoleslam Karrubi, in an interview with the ETTELA'AT correspondent, which took place in Khorramabad, talked about the purpose of his recent visit to Lorestan.

In this connection, Hojjatoleslam Karrubi said: "The governor-general of the province of Lorestan had invited representatives in the Majles from the province to visit the area for the purpose of reviewing existing problems and future programs for the province. In that connection and also for a review of the problems faced by the wounded and the survivors, and especially in view of the fact that Khorramabad had been recently attacked by the Godless enemy, which had left many people killed or wounded, and in view of the fact that I am in charge of the Martyrs' Foundation, I was also invited to visit Khorramabad in order to be able to talk with the survivors of the martyrs and study their problems. Two men had been sent by the foundation to the area immediately following the incident (Iraqi attack on Khorramabad), but I was always anxious to visit the area myself. Thank God, I have now been given the opportunity.

Welfare Measures by the Foundation

In connection with the welfare measures taken by the foundation to help survivors of the martyrs, Hojjatoleslam Karrubi said: "As far as welfare and housing measures on national level is concerned, a number of actions were taken which are in line with the Imam's letter. Some houses were constructed and some are under construction. Other measures taken include bus farecards and insurance booklets that were issued to the survivors. Their medical needs will be taken care of, too, and they will receive their monthly pension regularly."

Foundation's Future Plans

About the future plans by the foundation for the survivors of the martyrs and the disabled, Hojjatoleslam Karrubi said: "There are two types of programs. The first type includes a series of financial, welfare and recuperational assistance currently being implemented. With the start of the Iraqi-imposed war, our problems have increased, resulting in the increased activities by the Martyr's Foundation on the national level. But our efforts to relieve the housing problem must be expanded

in the future just as our welfare measures should. Another series of our future activities will concern cultural and educational matters. A number of classes have already been established and their number will be expanded in the future."

"We are also arranging to set up camps and trips for them. Some trips have already been arranged. At the same time, the important thing is coordination. In this connection, all local directors of the Martyrs' Foundation from throughout the country have been invited to attend a meeting in Tehran. We have also arranged programs for 22 Bahman [11 February] anniversary celebrations. We may also invite some from outside the country.

30,000-35,000 Files

Asked about the number of the members of the martyrs' families covered by the foundation's assistance program, Hojjatolislam Karrubi said: "I cannot give an exact and precise number because the country is in a state of war and the number of martyrs and wounded is constantly on the increase. At the same time, we do not have exact and correct information from the fighting zones. We are in daily contact with the Martyrs' Foundation but the branch in Ahvaz has not been able to provide us with an exact figure. Foundation branches in Susangerd and Abadan are very active too but cannot give exact figures. Our wounded men are now scattered in various cities. Some 1,300 to 1,400 wounded are hospitalized in Shiraz and between 3,000 to 4,000 in various hospitals in Tehran. Some are hospitalized in the cities of Arak and Khorramabad. Yet, a precise figure cannot be given. Altogether, between 30,000 to 35,000 files of the martyrs and those wounded have already been completed.

Formation of Headquarters in the War Zones

The director of the Martyrs' Foundation further said: "After the war got into full swing, we established headquarters in various war zones for the purpose of having the wounded sent to Tehran so that their financial problems could be studied. The foundation branches in all cities were instructed to prepare files for everyone wounded. Our martyrs come from various parts of the country and we have urged that people should go out in the villages and districts to prepare files for them all. We also urged that facilities be prepared for the war refugees. A number of these refugees have been sent to Shiraz and Esfahan. They have been provided with housing or have been housed in hotels.

"Tehran is one of the cities with the most refugees. One reason is that the number of injured who have been sent to Tehran is great and members of their families who would like to be near them have come to Tehran. There are also some people who have lost either their homes or their dear ones. There are families who have lost four to five martyrs each. They, too, have moved to Tehran. They need medical care and housing."

Resettling of War Refugees in Houses Owned by Officials of the Former Regime

Hojjatolislam Karrubi added: "Houses of those belonging to the former regime have been used in Tehran for the housing of war refugees. Several apartment houses have also been used for the purpose. In addition, some hotels in the city, such as the Miami, Kings and Sina Hotel have been converted and put at the disposal of the Martyrs' Foundation for the resettlement of refugees.

Conditions of the Foundation in Khorramabad

Referring to the activities of the foundation in Khorramabad, Hojjatoleslam Karrubi, expressing appreciation for the efforts made by the organization, said: "In a city located immediately behind the front line and exposed to continuous threat, certain problems had developed which had prevented the foundation from doing what was expected of it. For that reason new people were put in charge."

Karrubi said that the activities of the foundation were continuous. "If a city is bombed," he mentioned as an example, "it must immediately try to find out the number of martyrs and those injured and then try to attend to their needs."

Pointing out several examples, he said that the foundation must act promptly because it had the task of moving those martyred and wounded.

Effect of War on The Foundation's Activities

In connection with the effect of the war on the work done by the foundation, its director declared: "The war has slowed down work on the foundation's long-range plans. An organization which is suddenly faced with the task of moving 10,000 injured to hospitals and providing them with clothing and so on, will not be able to move rapidly on some of its immediate tasks."

"In Abadan, Ahvaz and Khuninshahr (Khorramshahr), for example, we had housing projects which have either been destroyed or stopped completely."

"One of our important duties is to look after the injured. Some of those injured must be sent abroad because of the seriousness of their injuries. We have made some progress in that direction. Once we brought in an ophthalmologist and have invited other medical teams which are supposed to arrive any day now. At times we had been forced to find beds for the injured outside regular hospitals and give the hospital beds to the more seriously injured."

"We are also faced with a shortage of medicine and ambulances. We have brought in some from the Gulf sheikhdoms and some from Austria, which have helped to some extent, but we have had shortages."

Creating Employment for the Invalids

Questioned about programs for creating employment for the invalids, Hojjatoleslam Karrubi said: "One of the points in the Imam's letter was the issue of creating jobs for the invalids. We have not been quite successful in this because of the freeze on [government] employment. But we did our best to find them employment, to the extent that was possible for us. We were able to put some of them to work in such agencies as the Endowment Organization, PTT and the Ministry of Arts and Culture. Some were given small amounts of money to start businesses. Some were put to work in hospitals, in the Reconstruction Campaign Organization and in the literacy program and are paid by the Martyrs' Foundation. Some were employed by the foundation itself. And for those seriously injured, we have only been able to provide them with recreational facilities in hospitals where they are recuperating."

"The invalids are divided into two groups. First, are the ones who have lost one hand or one leg and are capable of working in various government agencies. The second group is composed of the seriously injured who are receiving physiotherapy.

"In connection with the second group, who are not even capable of getting in and out of an automobile, we have made a contract with Iran National Co to purchase from 8 to 10 special vehicles for the use of the invalids from foreign manufacturers so that the invalids in wheelchairs will be able to get in and out of them without any difficulty.

9561

CSO: 4906

CENSORSHIP, BOOKBURNING SLOW PUBLISHING ACTIVITIES

Tehran JAHANGARD in Persian 18-25 Jan 81 p 3

[Article by Parviz Jamily: "Book Market is Exhausted"]

[Text] The hot book market lasted only a few months following the revolution.

Attacks on bookstores, arrests, burning, paper shortage, high cost of printing and...joined together and nowadays the book market is put in a situation where many book stores have been exposed to closing down.

The days of fighting and fleeing which took place between the people and the soldiers during the martial law period have not yet been forgotten, nor have the days when martial law officers were arresting and assaulting those selling anti-regime books. However, due to the people's resistance, hundreds of books containing subjects prohibited for years, were published.

Books were being presented with a variety of printings. Inside Tehran University, students had created cooperatives for the sale of books. Female, male, old and young were eagerly purchasing books. Those days books such as "In Vietnam," "New Words," "Das Kapital," "Dr Shari'ati's Books," etc. were being sold more.

Attacks Upon Book Stores, High Printing Costs, Paper Shortages, and Decline in Purchasing Power of People Are Some of Factors Contributing to Book Market Slump

Following the victory of the revolution, book sales enjoyed an increase and the street vendors across the street from Tehran University were the major presenters of various books.

However, promotion of the book market did not last long. Attacks by club-carrying people on book stores throughout Iran and setting them on fire, coupled with subsequent restrictions, left no power for the publishers and booksellers. These incidents were accompanied with losses and bodily harm including the killing of Kamal Shirzad, the 4-year-old child of a bookseller in Shushtar.

Attack By Unidentified Groups

In regard to the decline of the book market, Behruz Marbaghi, director of the ALAM publications and the former speaker of the Publishers and Booksellers Council, in an interview with the JAHANGARD, said: "Until 6 months ago, publishers were

active, but due to the intensity of pressure, increasing attacks, and the economic crisis, the publishing business stagnated. In addition, unidentified individuals show up and arbitrarily search book stores and when we complain to the officials, nobody claims responsibility for the actions of these individuals. In this regard, we know of many similar examples in Tehran and other cities which indicates that such methods should be considered organized."

In regard to the role of publishers and booksellers in preventing such attacks, he said: "The council has actually been inactive for some time. When the war was in progress, we sent a message to the president concerning the elimination of this profession, but under the present conditions, the publishers cannot rely on anybody to save them. If, however, some officials condemn these actions, these groups will not be heard from for a while."

Marbaghi describes other factors contributing to the book market slump as follows: "The era of the revolution was the time when purchasing books was at its peak, but now, books have found their true customers. Additionally, most of the book purchasers were the civil servants and teachers, who, in the present economic crisis, cannot afford to buy books as they used to. Last year, pupils and college students were permanent purchasers of books but at present they have not been heard from. However, we remain hopeful because this is a period in which a new ideology has been generated and is growing. If the rational process of study opens its way and continues, a bright future will be ahead of us."

Multiple Printings and Discrediting a Book

Among the books published recently during the revolution, many were published with different printings. Nowadays these series of books are being put on sale at the front of the university and those who used to be afraid of selling them now have piled them on the sidewalk like potatoes and onions selling each volume for 1 or 2 tuman. In regard to the multiple printings of books, one of the publishers at the front of Tehran University says: "There are some plagiarizers who print hot-selling books by using the same title but with a low quality, without consent of the publisher and without paying for the use of copyright and sell them for half the original price. They are moneylovers and swindlers. For example, the book entitled "The Newly Reconstructed Land" was originally priced at 90 tumans [\$12.00] but its falsified edition was priced for 25 tumans [\$3.50]."

High Price of Paper Does Injustice

When we visit the publishers and ask them about the decline of their business, they first all talk about the astonishingly high price of paper. In this regard, Nohzat, the director of Eqlal Publications told JAHANGARD: "We have not printed a book for months because no paper can be found."

Mohmud Ashrafi, director of Ashrafi Publications says "The Publishers and Booksellers Union has taken action to procure paper. We have paid for it but we have not received any yet and the average figures concerning the price of paper indicates that it has doubled since last year."

Ms Lahuti, in charge of the Department of Consumer Goods of the Ministry of Trade describes the reason for the decrease of the domestic production of paper as follows: "Pars paper production factory located in Haft Tappeh, Khuzestan, had been shut down for the past several months because of war. A few weeks ago it started production of the 10-gram paper which is supplied to the Ministry of Education."

In addition, the condition of the harbors due to the state of war has caused disorder in the importation of paper, as has the taking advantage of this situation for the purpose of hoarding by some paper merchants, thus causing the increase in price and the shortage of paper.

What Books Should not Be Printed

We have frequently read in the newspapers that a particular book has been banned and collected from the book store or printing house for being obscene.

Kazem Ahmadzeadeh, director of Shabahang Publications, in this respect says: "There is no bookstore in Kermanshah at the present time, the only one remaining having now become a glassware store. Zand, a large bookstore in Shiraz, is liquidating all its books. The Akhgar Bookstore in Esfahan has been set on fire. Many of the street vendors at the front of the university have been driven out of business. Only Mashhad's bookstores have been kept safe from fire. The street vendors at the front of the university have had little business to do." Regarding the books which can be published these days he said: "The books which we want to publish have to have the prior approval of the Revolutionary Public Prosecutor's Office. Decline of our business has caused the number of Shabahang's employees to be reduced from 13 to 2 persons." He added that he had served 45 days in Evin Prison for publishing books which were not part of the books published by the political groups.

In addition, the lack of job security for publishers has caused self-censorship to be imposed by the book publishers themselves. Ahmad Aghebat Bekheyr, director of the Kavosh Publications while confirming this matter, adds: "I went to the Khadamat publishing house to get the books entitled "A Philosophy for Socialists" and "The Ascent of Man" printed. Several Guards came over for inspection. They summoned everybody including the directors of Gum and Pejwak publications and took us to Evin Prison where we were held for 6 days. When they found out that our business was not illegal or unauthorized, we were released. While in prison, we asked the prison officials about the books which we could not publish. He said that we must print Islamic Republic books. They believe that analytic books concerning current politics, books of the political groups and those books they consider to be repugnant to the revolution should not be published; for example, they said that it is meaningless to publish the book entitled "A Philosophy for Socialists" in an Islamic government."

Reza Tabrizi, in charge of investigation of publications and books in the Revolutionary Public Prosecutor's Office, in an interview with the JAHANGARD postponed the expression of the policy of the Revolutionary Public Prosecutor's Office in this regard to a future date after publication of this report. He promised that the opinion of the Public Prosecutor's Office regarding the status of books and publications in the Islamic Republic will be made available to us in a compiled form.

FACTORY WORKERS STRIVE FOR SELF-SUFFICIENCY

Tehran KEYHAN in Persian 29 Jan 81 p 2

[Text] The industrial and production company known as "General," whose name will soon be changed, is the only plant that, for reasons which will be explained, has doubled its production level compared to the prerevolution period. This is a significant and praiseworthy event, but let us first become familiar with the history of the company.

"General" was established some 24 years ago. Its registered capital investment now stands at 125 million rials, with 21 percent of its total shares belonging to the Organization for Expansion and Renovation of Industries and to the National Investment Fund. The plant is made up of several technical departments. They include the cutting, pressing, molding, painting and the assembly sections. It has three production lines that are in continuous operation. 'Enayat Behbahani, a big capitalist, used to be the managing director and the main stockholder of the company. He was among a group of 52 people whose properties were nationalized in accordance to the decision announced by the Islamic Republic's Revolutionary Council on 16/8/58 [30 October 79].

As to the way the plant has been managed after the victory of the revolution; in Bahrman of 57 [21 January-19 February 78], Hojjatoleslam Khameneh'i first visited the plant and, with financial assistance from the Imam's propaganda office, put the company's affairs into order and appointed two men from that office to be in charge of the company.

In the middle of Tir of last year [22 June - 22 July 79], the same two men were reappointed as managers of the company by the National Industrial Organization, and in Aban of 58 [23 October - 21 November 79] the Organization appointed three new men to run the company along with the help of another person who was to be chosen by the factory workers from among their own ranks. They began working as the company's board of directors.

The company has about 1,000 employees, 70 of whom are office workers, the rest work in the plant making household goods such as refrigerators, coolers, gas and kerosene water heaters, room heaters and so on. The raw material used by the plant include iron for carburetors, copper tubes, enameling material, etc. The company makes use of spare parts that had been imported indirectly from East European countries.

According to the annual financial statements in the files, the company had been losing millions of tumans every year before the revolution due to unnecessary expenditures, embezzlements and misappropriation of funds.

The company is now making some 20 million tumans profit a year. This is mainly due to the absence of the previous conditions and the discontinuation of unnecessary expenditures. It is also due to the cooperation and sacrifices made by the workers because of their revolutionary maturity and their belief in the high Islamic philosophy and in the leadership of the Imam. So, in spite of the higher wages now paid to the employees and the purchase of some new equipment for the company, it has an annual profit of some 20 million tumans.

Postrevolution changes in the plant:

1. job classification which resulted in higher wages for the employees after the victory of the revolution;
2. the temporary closedown of the private joint stock company that was attached to "general";
3. changes in procurement methods of raw materials and spare parts and creating facilities to make purchases directly from producers and without any foreign middlemen;
4. renewal and major repair of all the company's equipment and machinery;
5. purchase of some needed new equipment and tools;
6. formation of an Islamic Council in cooperation of all the employees and through elections;
7. increase in the level of production to double that of the prerevolution time; made possible by cooperation and sacrifices made by all the employees, workers, office employees and members of the board of directors (according to the chart);
8. dropping improper practices with regards to the distribution and sale of finished products and determining fair prices. Also making necessary decisions in connection with the protection of consumers and getting rid of profiteers and middlemen. The price list of the company's products is printed on the same page;
9. manufacturing two new coal-burning and gas-burning room heaters. It should be noted that the new gas-burning heater is built in such a way that both natural gas and liquified (bottled gas) could be used. The design is 100 percent Iranian and is an innovation of the company's workers.
10. reopening the refrigerator production line which had come to a complete stop at the end of the year 57 [21 March - 20 March 80].
11. reestablishing lines of cooperation and exchange of goods with neighboring plants in an effort to facilitate production;

12. cooperation with the workers coops, Urban and Rural coop and with the sellers and distributors of household goods by selling the company's products to them at low prices.

Conversation with Workers and Members of the Council

In many instances, members of the [Islamic] Council have refused to accept overtime pay for the extra hours they have continuously put in, even though they are entitled to it. One of the members of the council says: "Even though the council members themselves work hard, just as the workers do, they feel embarrassed when it is compared with the devotion demonstrated by the workers, who have been responsible for doubling the production level of the company. To help keep the present condition and boost the morale of the factory workers, we would like to give them a bonus."

He added that further material gain was not the aim of the workers and that they should be aware that government officials value their sacrifices.

He said that officials should differentiate between workers in a factory who, without [extra] possibilities, had been able to make their company earn 20 million tumans profit in a year, and workers in a plant where, in spite of all the facilities at their disposal, lose millions of tumans. It is true that all us workers in different plants are brothers, but the issue of incentive should not be forgotten.

Another worker, whose lean body and tired and depressed look reflected his sincerity and perseverance, said in short sentences: "Our most basic desire is to tell government officials to come into agreement with each other and refrain from taking positions against one another, the same way we, the illiterate workers, have been able to remain united and work together. We expect the same from the officials."

Another worker thanked Hojjatoleslam Khameneh'i for returning order to the plant immediately after the victory of the revolution. It must be mentioned at the end that the employees in the company give from 1 to 3 days of their pay every month to help the war victims.

9561

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DAYAN'S UNILATERAL AUTONOMY PLAN ANALYZED

Tel Aviv 'AL HANISHMAR in Hebrew 6 Feb 81 pp 5, 11

[Article by Hagai Eshed: "Dayan's One Voice"]

[Text] We have heard that Moshe Dayan is getting ready to take the Israeli voter by storm by riding one unique horse--the horse of unilateral autonomy. This idea, it is reported, has become an obsession with him. He is convinced that it will be Israel's salvation. It is that plan or nothing. It justifies and requires the make-up of the independent list for the tenth Knesset elections and its program for the next 4 years will be--implementation of unilateral autonomy in Judea, Samaria and the Gaza Strip.

This approach could be attacked and criticized to the point of ridicule and absurdity on several counts. Not because this possibility is so blemished, so strange, and so unreasonable that it has to be thrown out. It could be one program among many that has enough merit to be looked at and perhaps even partially tried out--in a certain portion of the territory and for a limited period of time. Afterwards it would be possible to make a hasty retreat from it--whether at the level of negotiations or at the level of implementation--if it should turn out that the risks that it entails outweigh the possible benefits that could be derived from it. The benefit might be breathing space, a lessening of pressure and preventing the creation of a deadend in the peace process--preserving the momentum--as we used to say in Kissinger's day. The benefit might be to force a small amount of realism on the population that will have to negotiate responsibly for its fate and deeds.

The Moderates Will Disappear from the Territory

The truth is that such possible benefit seems dubious and unlikely in comparison with the much more certain risks. Every Arab village which will be abandoned by the military regime of the IDF will be forsaken to the rule of murder by PLO gunmen (something which happens even under the strong hand of military rule). The moderates who favor coexistence with Israel, either openly or in secret, will disappear from this evacuated territory. If a continuous territory is evacuated and in particular if the cities and principal population centers are evacuated throughout Judea, Samaria and Gaza--a "National Steering Committee" could declare complete or almost complete independence of "Liberated Territories of Palestine" and immediately gain political recognition and military aid from Arab states and even the USSR.

Would the IDF be able to immediately return and capture the territory in this circumstance without the immediate condemnation of the UN which would be in the form of a permit for the imposition of sanctions on Israel (economic and military) and opening the door to Soviet intervention against Israel by force of this or another UN decision?

These possibilities are not certain, but they cannot be ignored altogether. Their reasonableness depends on the position of the U.S., for example. Would the U.S. require such an Israeli test of the unilateral autonomy program, and would she guarantee Israel against the risks inherent in it, or might she see in it an international provocation with uncomfortable timing? This program will be considered by the U.S. and by Egypt as well in comparison to the alternatives. And this is the major Achilles' heel in Moshe Dayan's approach. With him there are no alternatives. There is only the one program of unilateral autonomy. He is locked into it and cannot conceive of the possibility that the autonomy program as it was pronounced by the negotiators at Camp David may be unworkable in any version. He does not want to consider that there may be no escape from bringing Jordan into the negotiation of another agreement. The weakness of Moshe Dayan is akin to the basic weakness of Menahem Begin. Jordan is totally out of the picture for both of them. They consider her to be a foreign regime, while a Palestinian autonomy administration, if it should arise, or a Palestinian national steering committee, controlled jointly by the PLO and Jordan would not be foreign.

They Make Life Easy for Husayn

This definition is amazing of itself from any point of view, but the crux of the matter is that Moshe Dayan and Menahem Begin free King Husayn from any possible international pressure. They make life easy for him, they make it possible for him to continue to receive almost unlimited Arab aid, and they make it comfortable for him to sit on the fence and throw stones at Israel. The total negation of the Jordanian option, as it is called, makes it impossible to apply international pressure on King Husayn to get off the fence and be responsible and cooperative in solving the Palestinian problem in all its aspects--and especially the question of the refugees in Lebanon. In order to apply this kind of international pressure on Husayn, no option should be discounted apart from the "PLO option," since this option is the most convenient excuse for Husayn to evade his responsibility for creating the Palestinian problem and for its solution. It is convenient for King Husayn to say that the PLO is the exclusive representative of the Palestinian people in order to have them "get off his back."

With the unilateral autonomy plan, Moshe Dayan frees both King Husayn and the PLO from any kind of pressure. He puts the burden exclusively on the shoulders of Israel for the implementation of a one-sided program that no Arab or international body is partner to or would carry any responsibility for the success or failure of. This program does not offer an alternative to negotiations with the PLO nor a comprehensive solution to the Palestinian problem. It draws to Israel and to Israel alone all the international Palestinian fire instead of scattering it and directing it to other targets and other partners.

A Political Strategem or a Party Platform

Even if the advantages of the program were to exceed its disadvantages, there would not be enough to it to make it a platform for a separate list for the Knesset for the next 4 years. The very fact of the exclusive communication about it and it alone limits in advance the political maneuvering space and the strategic value that it might be possible to derive from it. One political strategem out of many does not make a singular party platform with which one goes to Knesset elections. This is a matter for a political advisor or a special ambassador who deals in negotiations and clarifies different possibilities and various diverse suggestions which may even be self-contradictory. Political negotiations cannot be conducted with one voice alone. And who is a better teacher of that for us than President Sadat who speaks with several different and contradictory voices at one and the same time--for the European initiative and against it, for the Jordanian option and against it, and so forth.

Moshe Dayan has decided in his old age to speak with one voice exclusively and to lead after him a camp that would be obliged to follow him like an echo, like a speaking chorus that would also speak with just one voice. What will Moshe Dayan do with himself and his supporters who, perhaps, will be elected with him to the Knesset for the next 4 years, whether the unilateral autonomy plan will be put to the test or not, since the Moshe Dayan list will not gather enough votes even to constitute a swing party that would join a government such as this or any other? And what will they do if in any case there should be unilateral autonomy for 4 years as an interim agreement? Will the chorus that speaks with one voice be scattered afterwards among all the parties and camps like DMC, may she rest in peace?

9794

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REASSESSMENT OF POLICY TOWARD USSR URGED

Tel Aviv 'AL HAMISHMAR in Hebrew 6 Feb 81 pp 5, 11

[Article by Yehudah Yudin: "Israel and the USSR"]

[Text] The USSR exhibits active and stubborn hostility towards the State of Israel. She negates Zionism and estranges herself from the rights of Jews to culture and national life within her borders. Her policy endangers Israel and produces a reaction of disquiet and self defense in Israel and the diaspora. But the election of the Republican President in the U.S., who apparently is taking the "hard line," in no way solves Israel's Soviet problem. The possibility that throughout the world the winds of the cold war will again blow does not remove the threat to Israel and does not free her from the need to be constantly on the look out for ways to ease the tension and for a normalization of relations with the second superpower.

In the fifties a sharp turning point occurred in the position of the USSR towards the Middle East conflict and in her relations with the State of Israel. Thus the short honeymoon in relations between the two states came to an end and Soviet support for Israel ceased, which despite a long history of ideological antagonism between Communism and Zionism, played a central role in the establishment of the Jewish state. Israel, which had enjoyed political comfort and decisive aid in arms supplies at the time of the War of Independence and in the first years afterwards, was then faced with a totally different reality. Russia transferred its full support in all international spheres to the Arab countries; she became the principal—at times, exclusive—arms supplier to those countries which day and night threaten Israel with annihilation and became the prime mover in anti-Israel and anti-Zionist incitement throughout the world. After the Six-Day War, the Soviet Union even severed diplomatic relations with Israel and in so doing broke with its normal foreign policy both before and after its declaration of adherence to peaceful coexistence in a stormy conflict-ridden world.

In fact the Government of the USSR has continued to emphasize that it recognizes the right of Israel to exist as a sovereign state, but it has done and continues to do everything it can to make it impossible for the Jewish state to enjoy that right. In addition to very close relations with the Arab rejectionist states, it has in recent years been courting the Arab terrorist organization, training its people, and granting political and material support to it without conditioning

its aid on a renunciation of the Palestinian charter which calls for the annihilation of a sovereign member state of the UN.

It is impossible to ignore the contradiction between the traditional approach of the USSR to the problem of relations with other countries having different internal political systems and its stance towards Israel. One must also not forget that even in the first years after the October revolution, Soviet Russia forged close ties with the fascist government of Mussolini and from then consistently demonstrated its policy of complete separation of ideology from politics and diplomacy. It established full political ties with Nazi Germany--even before the Molotov-Ribbentrop treaty--despite the content of the official platform of the ruling party in the Reich and the unconcealed threat of a German war of destruction against Soviet Russia and the Communist regime. It has acted in the past and continues to act today according to this policy even with regard to countries involved in conflicts and wars among themselves over matters of their own and has not yet taken the step of protracted, decisive political boycott as a reaction to developments which it does not like.

Since the turning point in the policy of the USSR, which began about 12 years before the Six-Day War, in the course of which the territories across the "Green Line" were seized, it was in practice the only factor which enabled, in actuality and not just in theory, the Arab countries to fight against Israel with Soviet weaponry having complete assurance of as much support as they needed. If there exists the possibility of a renewed lethal war in the Middle East between the Arab rejectionist states and the State of Israel--this possibility could become reality only thanks to the storehouse of Soviet weapons which they have amassed and the cover of Soviet political protection which is guaranteed to the Arabs in every circumstance. No country in NATO--the military-political pact in direct confrontation with the USSR--is faced with such an active, unceasing and real Soviet threat as is the State of Israel.

Within this sad state of affairs, Israel's political and strategic defensive policy must be first of all to respond to the needs of its existence and defense. The western American orientation is an existential necessity for Israel even more than an expression of closeness of views on matters of political democracy and derives from common sources in culture and science. But by the same token our survival interest obliges us to examine Israel's place in the world in which the USSR exists and will continue to exist as a super-power with enormous stores of power and with influence that extends over land and sea.

Sources of the Special Animosity

The source of the unbridled animosity, which is the guiding line in Soviet policy towards Israel, cannot but arouse curiosity as to the origins of this most special phenomenon. Are there really abysmal and unbridgeable conflicts between the two states, to such an extent that there is no hope, even in the future, of achieving coexistence and normalization of ties between them?

Indeed relations between Israel and the USSR are influenced by a host of ideological differences, the roots of which extend back into the distant past, and a clash of

interests--real and imagined, prolonged and transitory--the sources of which are in current policy. These conflicts focus mainly in four areas--ideological and political: separating the USSR and Israel are the division of Zionism as the ideology of the national liberation movement of the Jewish people; the question of the national rights of the Jews of the USSR; the question of the inclination and direction of global foreign policy; the stance and future of Israel in the conflict with the Arab countries.

The careful eye will discern that in all four of these areas, the embers still smoulder--the communism--the beginning of the controversy already at the beginning of the existence of the social-[sic] in all four of them time has taken its toll. The ideological conflicts have more than once given way entirely to practical considerations and a more pragmatic approach for Israel. Yet the changes in political conditions place in doubt precisely the desirability of the enormous Soviet investment in Arab countries.

In the first area--communism's negation of Zionist ideology--the source of the dispute goes back to the beginnings of Russian social democracy and political Zionism, which were founded at almost the same time at the end of the preceding century. Russian social democracy, from the midst of which the Communist stream flowered and developed, and which led and was victorious in the October revolution, negated the Zionist idea as a solution to the Jewish problem and condemned it as a nationalist-bourgeois deviation.

From then on and during the entire period of its existence, the leadership of the USSR has not gone back on its opposition to Zionism, even though only in recent years--in tandem with harsh anti-Semitic outbursts, which in the past were not recognized in the Communist vocabulary--Zionism was declared to be the primary enemy of all mankind. This fundamental position did not prevent the Soviet government from declaring in 1947, in one of the most surprising and amazing turnabouts in which the history of communism is so rich, that the USSR recognized the right of the Jewish people, the victim of Nazism and the holocaust, to a homeland of its own in the land of Israel. Gromyko's declaration turned the scales in the struggle for ratification of the partition program and in its wake came political support and arms aid in the course of Israel's war of independence, without which who knows how the Zionist idea could have been implemented at that time.

It is in fact true that the Soviet government had important considerations of its own, global and regional, for taking a position that did not accord well with the ideological tradition of communism. But precisely from this point we should learn that despite the ancient ideological antagonism, given the proper conditions, the impossible became possible. With a view to the future it can be said that changing conditions throughout the world and in our immediate area could usher in the proper time for another Soviet turn around in the coming years, and then the historic division, even though deep and serious in content for both sides, would not have to remain an impassable stumbling block for the creation of better relations. Even if that prospect is not obviously in the offing right now, Israel does not have to erase it entirely from the considerations which guide its long-term policy.

More serious and complex is the second quarrel which concerns the rights of the Jews of the USSR. At the stage before the conquest of power by the Bolsheviks,

it was a totally different speculative vision of a solution to the Jewish problem --its disappearance via the revolution or a national revival via Zionism. Until the purges and trials of the thirties, the ideological quarrel took the form of a confrontation between the two solutions--the territorial concentration in the land of Israel versus equality of rights and widespread integration of the Jews in all areas of life in the USSR. Until then the Communist Party permitted the existence of a system of culture and education in the Yiddish language and even developed initiatives in the direction of creativity and Jewish settlement within Russia. This early stage must be kept in mind alongside later developments which brought about the brutal extermination of every manifestation of Jewish national particularism.

The Contemporaneity of Two Policy Directions

One is obliged to pay attention to the contemporaneity of the two Soviet policy directions in the initial years after the establishment of the State of Israel--the period of recognition, support and cooperation with Israel on the outside--as opposed to a campaign of repression of national consciousness and total isolation of the Jews at home. At that time, at the end of the forties and the beginning of the fifties, looked as if it were trying to ride, at the same time, two horses galloping in different directions--the encouragement of the Zionist state and the uprooting of the national identity of the Jews. Within a short time it became clear that the attempt to isolate the Jews of the Soviet Union from Israel and the Jewish people in the diaspora had come to naught, and even the severance of diplomatic relations after the Six-day War did not bring about the results which Soviet policy had expected. The Jews of the Soviet Union, most of whom had been raised on the October revolution and had been removed for decades from the sources of their national tradition and culture, found ways to express their fervor for the Jewish state.

The Soviet government was compelled just after the formal break to respond to pressures within and without and to allow the exit of Jews by recognizing their right to immigrate to Israel. What exists today in the USSR is the lack of any calculated and consistent policy towards the Jews. As a reaction to developments in relations with the west--and first and foremost with the U.S.--the policy changes from time to time with regard to the granting of exit visas to Jews. Intermittently a lone spark of cultural manifestation will flare up in the form of an artistic group that shows up somewhere in that sprawling country without signalling any change at all in the general approach to Jewish national culture.

The effort to bring about the forced assimilation of the Jews is accompanied by their removal, because of their Jewishness, from vital branches of service and employment "for security reasons," and the limitation of their numbers in colleges. The permission of anti-Semitic expressions in the press and in books arouses not only anger on the outside--it accelerates the flowering of an independent national consciousness among wide levels of the assimilated of yesterday. Not only that but: there is a dangerous game of playing with fire here, even for the regime; for the leadership is sober enough to remember that anti-Semitism and anti-Communism marched into the world together side by side.

The pressure from abroad and the ferment within are likely to bring the Soviet regime to the conclusion that within a highly contradictory situation there is more explosive material concealed than in a constructive solution, for which there have already been precedents in its policy towards the Jews. The Government of the USSR has in practice recognized the Jews as a special circumstance, different in its particular nature from anything else to be found in the multi-national mosaic of the land of the Soviets. On the basis of this recognition, it is possible to backtrack and permit a measure of freedom for Jewish national culture and to agree to grant the right to those Jews who want it of leaving and immigrating to Israel. Even here realism tends to push for pragmatic solutions which are likely to serve as a basis if not for "burning love" between the USSR and Israel and the world's human rights activists, then at least for qualified understanding among them in clear defined spheres.

9794

CSO: 4805

BETTERMENT OF RELATIONS WITH AFRICA SOUGHT

Paris LE MONDE in French 7 Mar 81 p 7

[Text] Jerusalem (AFP [French Press Agency]). Mr Rahamin Timor, director of the department of international cooperation in the Israeli Ministry of Foreign Affairs, on Thursday, 5 March, completed a fact-finding trip to Africa in the course of which he examined the possibilities for bilateral cooperation with officials in several countries.

Mr Timor, who had to leave Abidjan on Thursday for Israel, went in succession to Kenya, Lesotho, Malawi, Nigeria, and Ivory Coast, in other words, countries which, with the exception of Malawi, had broken diplomatic relations with Israel following the October 1973 war. In spite of this rupture, Israel maintained its technical cooperation links and its trade relations with most of those countries and even developed them, it was noted by an authoritative source at the Ministry of Foreign Affairs.

Israeli public works enterprises in particular are very active in Africa and, according to the same source, the development of their activities in fact is limited only by the difficulty of recruiting Israeli specialists who agree to work in the countries with which Israel does not have diplomatic relations. On the other hand, Israel is accommodating numerous trainees from African countries.

5058

CSO: 4800

ISRAEL

GAZA MAYOR EXPLAINS HIS POSITION

Kuwait AL-QABAS in Arabic 25 Jan 81 p 16

[Interview with Gaza Mayor Rashad al-Shawwa conducted by 'Abdallah al-'Atum: "In a Sorrow-Filled Interview Concerning the Gaza Strip and Its Neglect, Rashad al-Shawwa Tells AL-QABAS Why His Name Was Placed on Assassination List"]

[Text] When Gaza Mayor Rashad al-Shawwa made his most recent visit to the Jordanian capital, Radio Israel broke with its usual practice to announce that prominent individuals of the Gaza Strip had prohibited Mr al-Shawwa from discussing political issues and has asked him to limit his discussions solely to the matter of citrus fruits. The radio further stated that these prominent individuals had asked the mayor not to leave Amman to travel to any other Arab capital at the present time.

AL-QABAS met with 72-year-old Rashad al-Shawwa in his private wing in a hotel in the Jordanian capital. Calm and amicable, he spoke sadly about the Gaza Strip and the neglect it has suffered in the past. He asked bitterly: "Is the Gaza Strip an alien part of Palestine? Why can a native of Jericho obtain a Jordanian passport and travel anywhere to complete his schooling while a native of Gaza is denied all this?"

Good Relations With Everyone

[Question] How do you explain your good relations with Israel, Egypt, Jordan and the PLO?

Rashad al-Shawwa smiled and replied: "I am now 72 years old. I handle things in a different way from most people. I know how to talk to the Jew, and how to talk to the Egyptian.

"When I say that the Egypt of Arabism and the Egypt of the Arab nation will not abandon Palestine or the Palestinians, this is much better than if I 'cursed Sadat.'

"With the Jews, I am rational, and I use my mind. Thus, for example, when the slogan, "No education under the occupation," was raised in the Gaza Strip, I rejected this. The Jews also rejected this, and we came together for this purpose. Does this mean that I was on the side of the Jews? No, I was on the side of education for the people in the Gaza Strip. And in terms of your question, I and the Jews were in alignment.

"When the produce market in Gaza was bombed, and one Jew and four Gaza citizens were killed, I was against bombings in Gaza and so were the Jews. So does it mean that I am on the side of the Jews if I protect the citizens of Gaza and the Gaza Strip from having bombs thrown at them in the hope that there is one Jew in the produce market, especially knowing that the produce market in Gaza consists entirely of Arabs and a bomb cannot pick out a Jew among all the people present?

"When thousands of Arab workers used to travel to work in Jewish factories and firms, they had bombs thrown at them and their lives and livelihoods were threatened, so they refused to work for 2 or 3 days. But they needed bread for themselves and their families, so they went back to work in the Israeli factories. But when we prepare honorable means of livelihood for these workers and are able to accommodate them in the Gaza Strip and on the West Bank and they continue to go to work in Israel, I reject this because means of livelihood have been secured for them here. I took a stand against this practice."

Rashad al-Shawwa adds: "Moreover, I heard one time that my name had been placed on the assassination list on the charge of dealing with Israel, the reason being that my car was seen more than once in front of the office of the Israeli governor-general.

"The reason for this was that the Arab Bank in Gaza had been officially closed and the citizens had been prohibited from withdrawing their deposits in the Gaza Strip and in Amman. So I went to the military governor on more than one occasion. He formed a technical committee and became convinced of my viewpoint, and the deposits were disbursed to their owners. Does this mean I am in favor of the occupation?

"When arrangements were made to facilitate study in Egypt for Gaza students and thousands of students were permitted to complete their schooling there, did this mean I was on the side of Mubarak and Sadat?

When I work to strengthen relations between members of the same people on the East and West Banks, does this mean that I am dealing with Jordan in the distorted manner that some wish to imagine?

"When I try to settle the problems that arise from time to time and must make contacts with the official agencies in Amman in order to solve them, does this mean I have turned against the Palestinian cause?"

Prevention of Al-Shawwa From Discussing the Gaza Strip and Its Affairs

Throwing his hand up violently, Mr al-Shawwa says sharply: "No one prevents me from speaking on behalf of the Gaza Strip, even though my trip to Amman was related to citrus fruits in the Gaza Strip and the solution of related problems.

"The truth of the matter is that there is an organization in the strip called the Mayors Unification Association, and it is this organization which is making statements such as these. One of the members of the Municipal Council named Musa

Abu Sha'ban, whom I appointed to the council myself, is starting rumors such as these. Incidentally, the Mayors Unification Association endorsed the elimination of Palestinian seals which are used to certify official transactions with Arabic and Hebrew seals in place of the previous seals which were in Arabic and English [as published]."

Oiling the Screws

Mr al-Shawwa describes the coming to power of the Labor Party in Israel as follows: "This would tone down the atmosphere. All the Labor Party can do is 'oil the screws while they are being tightened,' and I recognize that the existence of statehood and autonomy in the West Bank is inconceivable as long as the settlement idea and settlements governed by Israeli law exist."

He adds: "Our responsibility today in the Gaza Strip and the occupied territory dictates that we remain on our land under any circumstances. It is incumbent on every Arab to support our steadfastness and do whatever he can to back the occupied territory and its population."

"We have no choice today but to endure the hardships, the oppression and the poverty or else emigrate. God willing, we shall choose steadfastness for all time to come."

Jordanian Assistance

"The Jordanian Government has assisted us in issuing a "statement of origin" showing Jordan as the place of origin. This is because the Arab states will not allow the importation of citrus fruits bearing an Israeli statement of origin."

As is generally known, citrus fruits are the backbone of the Gaza Strip's economy, and the citrus fruit industry suffers from inflation in Israel and rising costs of living and commodity costs, because articles are subject to taxes and customs duties in the Gaza Strip. If the citrus fruits industry is not supported from 25 to 30 percent, the livelihood of many people will be cut off."

I came today to convince Jordan and the joint committee which handles the matter of citrus fruits. I have contacted a number of agencies in the Arab states, including Iraq, asking them to buy citrus fruits. We hope that the joint committee will support citrus fruits or cover the difference between production and sales, and the joint committee has promised to do this. As for the Jordanian Government, they have facilitated the procedure of unloading produce in the offices of the exporters without requiring it to go through the central produce market in Amman."

High Prices

Giving an example of the high prices in Israel, Mr al-Shawwa said: "A can of Solar fuel, which sells for 800 fils in Amman, sells for the equivalent of 2.25 Jordanian dinars in Israel. Similarly, the cost of a ton of chemical fertilizer is 650 Jordanian dinars in Israel, and this high price has a definite effect on the citrus fruits industry. It should also be noted that the citrus fruits industry in Israel is supported by the government."

Mr al-Shawwa concluded his interview with AL-QABAS as follows:

"I went on an Arab tour during which I obtained \$10 million from Saudi Arabia to be allocated to the town of Gaza, which has been neglected for dozens of years. We have begun working on a system of roads and sidewalks as well as water, electricity and sewer systems. We have also obtained 2 million dinars from the UAE which we have allocated to the towns and village councils of the Gaza Strip.

8591

CSO: 4802

INCREASING ALIENATION SEEN IN ARAB COMMUNITY

Paris LE MONDE DIPLOMATIQUE in French Feb 81 p 5

[Article by Amnon Kapeliouk: "The Difficult Situation of the Israeli Arabs--Loyalty to the State, Palestinian Solidarity"]

[Text] The ban, last December, on the Congress of the Arab Population of Israel, which was to meet in Nazareth, has caused a further deterioration in relations between the Likud administration and the Arab citizens of the Israeli state (within its frontiers prior to 1967). To prevent this gathering, it was necessary to invoke the 1945 Emergency Law (al. 84) dating back to the British mandate and still in force. This aroused anger not only in the Arab community but also among liberal Jewish circles (1).

The Arabs today account for 14 percent (525,000 inhabitants) of the population of Israel (2). Mr Taoufiq Ziad, the communist mayor of Nazareth, who is considered the most outstanding representative, did not fail to protest against this ban on the congress: "Not only are we treated as second-class citizens but they even forbid us to express our complaints in public and to debate legally." The congress in reality would have been the first meeting of this kind since the creation of the state in 1948. There is no doubt that the idea for this congress sprang up following the tightening of discriminatory measures against the Arab community of Israel after the nationalist right wing came to power in May 1977 while repression was at the same time stepped up in the occupied territories.

The land problem remains the chief source of concern among the Israeli Arabs. A complex legal system had been established right after the creation of the state to permit the expropriation of the Arabs (3) and over the years more than 150,000 hectares were confiscated from them to the benefit of Jewish settlements.

Most of the expropriations took place hereafter in Galilee where, for more than 2 years, about 30 "little forts" have been established; these are small settlements, for the most part belonging to the military agricultural units (Nahal); they are built on hills, above the Arab villages, whose growth it is hoped will be limited most of the time. This policy is summarized in the following statement made by Foreign Affairs Minister Itzhak Shamir at the beginning of the winter: "Galilee will not be the Galilee of the goim ('gentiles' or non-Jews) but that of the Jews" (4).

Parallel to the expropriations in Galilee, parliament passed a law without precedent, calling for the eviction of almost 10,000 Bedouins from the Negev to build

military installations on their land, anticipating the possible evacuation of eastern Sinai. According to the new law, the Bedouins will have no right of appeal to the courts. Hundreds of families settled in the Negev will thus be evacuated from their homes without any other choice except to join the cheap labor force in the region. On the other hand, the Israeli Jews, who settled on land taken from the Bedouins in the northeast of Sinai, after the Six-Day War and who were to be evacuated within a year, but by virtue of the Israeli-Egyptian peace treaty, will receive billions of pounds in compensation; but the Bedouins displaced according to the same treaty will only get scraps. This of course has scandalized liberal circles. An Israeli committee for the defense of the Bedouins, created last year, has been stepping up its efforts to see that the Bedouins get justice. But the disappearance of the Bedouin deputy Hammad Abou-Rabia, murdered in January by the sons of his Druze rival, Sheikh Jaber Mouadi, deprived them of the chief defender of their rights.

Since the founding of the state, 635 Jewish settlements (including 125 in the occupied territories) have been established. But no village has been created for the Arab citizens (except for a few groups of settlements for the Bedouins) in spite of the growth of that population which tripled since 1948. The development plan for the Arab villages is marking time. In the general development budget for the year 1979-1980, out of a total of 6.54 billion Israeli pounds, only 2 percent were set aside for Arab settlements. The construction project for villages intended for that community are "frozen" or are approved with considerable delay. Due to population pressure, deteriorating buildings are then remodeled but the police or the border guards frequently manage to demolish them. More than 40 percent of the Israeli Arabs still live under difficult conditions, with an average of three people per room.

Progressively dispossessed from their land, supplying the economy with its workers who do the most menial jobs, the Israeli Arabs consist of only one quarter rural population. But 10 percent of the land which belongs to them is irrigated, as against 55 percent of the land belonging to the Jews. Their share in water consumption intended for irrigation does not exceed 2.5 percent of the total.

In the government as such, the proportion of Arab civil servants does not exceed 2 percent. Mr Shmuel Toledano, former advisor for Arab affairs to the office of the prime minister, 4 years ago defined the real status of that category of citizens as follows: "All the key positions in the country's economy are occupied by Jews. They run all the banks and all companies, politics, Histadrut (labor union). They control all government power. When they decide to devalue the pound or to reduce subsidies, the Arabs have nothing to say, although that directly involves half a million Israel's Arab citizens. The Israeli Arabs in effect are not represented in any forum where decisions are made which concern them directly" (5).

Discrimination is always subtle and concealed. Thus, parliament on 17 December passed a law barring aid to large families (four children or more). The law certainly does not prevent the Arabs from enjoying the advantages of that law but there is a little paragraph which simply provides that the law shall be applicable only to those families which have at least one member who put in his obligatory military service or who served in the reserves. Now, we know that the Arabs are not called to the colors; in spite of their birthrate, which is one of the highest in the world, all families being very numerous, their community as a whole thus

cannot get the benefit of that new legislation. The same inequity applies to housing aid given to young couples likewise on the basis of prior military service.

In the field of education, recent statistics showed that there is a shortage of 2,000 classes for Arab pupils. In high school, only 8 percent manage to graduate, as against 24 percent among the Jews. In the universities, they represent only 3.7 percent of the total (54,000 students). Over the past 3 years, the leadership of student organizations has gradually been taken over by the extreme right wing and the Arab students are now the object of constant acts of aggression, sometimes even expulsion (at the University of Beersheba) or house arrest in the hometown or home village. At the university of Haifa, a tract distributed last May by the fascist student group Yesh declared that "the Arabs cannot live in a democratic society. They respect the law only under a military regime. It is therefore necessary to impose martial law on all Arabs in Eretz Israel (the biblical name for Palestine)." This is only one example among many, especially since the right-wing Jewish students felt encouraged by the series of anti democratic laws passed last summer in parliament; one of them, for example, authorizes the interior minister to deprive any individual, who does not prove his loyalty to the state, of his Israeli nationality; another one forbids any expression of solidarity or sympathy with any "terrorist organization" (the PLO being defined as such by law).

Certain opinions among the government are liable to alarm the Arab community as to its long-term future in the country. Mr Moshe Sharon, former Arab affairs adviser to the prime minister, came up with this statement after his resignation from his job: "In the course of my duties, I met personalities inspired by militarist feelings, who believed that an uprising of the Arab minority was inevitable. They are not at all worried about this possibility which, according to them, would furnish an opportunity for driving the Arabs out. Others said: 'If it is true that such an uprising is inevitable, then we must guide it so that it will happen at the moment and under the conditions that will be best for Israel. Why wait for the end of the eighties when it is preferable for this to take place before the start of the eighties?' This is what they are talking about" (6). Gen Avigdor Ben-Gal, the commander of the northern region of Israel, including Galilee, said that the Arabs are "a cancer on the body of the country" (7). General Sharon, the minister of agriculture and the champion of settlements in occupied territories, on several occasions referred to Arab citizens as "foreigners," somehow threatening them with a new exodus: "They must watch out against extremism," he said "if they want to avoid a new tragedy similar to the one that struck the Palestinian people in 1948" (8). Another minister in the Begin cabinet, in charge of commerce and industry, Mr Guidoan Patt, came up with the following prescription: "Each individual belonging to the Arab minority, if he does not like it here, can take a cab and in half an hour he can cross the bridge into Jordan; and we will wave goodbye to him" (9).

A People "Divided Into Two States"

For the most part, the Israeli Arabs consider themselves to be an integral part of the Palestinian Arab people whose other fraction is under military occupation in the territories conquered by Israel or scattered in the Arab countries. The Palestinian consciousness was further strengthened among them after the bloody events of the "Day of the Land," on 30 March 1976, when six villagers fell after being

hit by bullets fired by the army. Certain Arab citizens since then demanded that the word "Arab" be replaced by the word "Palestinian" to be quite precise in expressing the nationality indicated on their Israeli identity cards.

As part of the logic of this solidarity, the manifesto of the congress that was supposed to be held at Nazareth, signed by hundreds of Arab personalities from various groupings, provides that peace depends on the return to the borders prior to the war of June 1967, recognition of the right to self-determination of the Palestinians, and the creation of an independent Palestinian state. The congress charter furthermore specifies that the legitimate representative of the Palestinian people is the PLO with whom one must deal in making peace. It is by the way this phrase which served as a pretext for barring the congress with the Israeli authorities using the following line of reasoning: The Israeli Arabs are part of the Palestinian people; according to the charter of the Nazareth congress, the PLO is the representative of the Palestinian people, in other words, also of the Israeli Arabs. Now, the law considers the PLO to be a terrorist organization.

Mr Taoufiq Toubi, a communist deputy and assistant secretary-general of the Israeli Communist Party, who was one of the organizers of the outlawed Nazareth congress, replied to that argument during a noisy debate in parliament on 3 December 1980, asserting that the PLO represents the Palestinians of Cisjordania, of Gaza, and elsewhere, but not the Arab population of Israel, although it is a part of the Palestinian Arab people. "The Israeli Arab population lives under different conditions and has a different historical past," he noted. "Its members are Israeli citizens and their representatives sit in the Knesset (parliament), in the city councils, and in the Democratic Front for Peace and Equality (which has five deputies in the Knesset). We are not the only people who were divided into two states." The fact is that this is the viewpoint of the Israeli Communist Party which is the main political formation among the Arab citizens. In the 1977 legislative elections, that party was able to win 45 percent of the vote, as against 27 percent for the Labor Front which was in power at that time. And the Sofia meeting, last September, between Mr Yasser Arafat and the (Jewish and Arab) representatives of the Israeli Communist Party approved this formation as the spokesman of the Israeli Arabs in the eyes of the Palestinian population.

But a fraction of the Arab citizens continues to cooperate with the government and to vote for Zionist parties. On the other hand, a very small minority, the Sons of the Village, consists of Trotskyite and nationalist individuals in favor of the establishment of a single democratic and lay state in Palestine. Although it does have a certain following among the young people, its influence nevertheless is small.

Finally, the agitation did spread to the Druze community of the country. The Israeli authorities over the years have managed to create a national awareness among the Druzes and to separate them from the other Arabs (according to the formula "divide and conquer"). In Israel they are considered to be a people, not just a simple religious community. For them, military service is obligatory and, besides, it is the young Druzes who represent most of the redoubtable border guards who implement the law in the occupied territories. But in recent times, Druzes refusing to go into the army as a sign of solidarity with their Palestinian brethren have been becoming more and more numerous. About 25 percent of them somehow escape military service (10). And the Druze Initiative Committee, which supported the Nazareth congress, asserts that the Druzes are a part of the Arab nation with all consequences deriving from that.

FOOTNOTES

1. Several editorials in the press condemned this ban.
2. With the exception of the 115,000 Palestinians living in the Arab part of Jerusalem, still included in the official statistics on the Arabs of Israel, even though they do not have Israeli nationality. The number of inhabitants in the occupied territories (Cisjordania, Gaza, and Golan) comes to 1.3 million.
3. For further detail on these laws and ordinances, see Amnon Kapeliouk, "The Arab Lands in Israel," LE MONDE, 1 June 1976.
4. HAARETZ, 7 November 1980.
5. Id., 28 January 1977.
6. JERUSALEM POST, 9 November 1977.
7. Broadcast on national radio on 9 August 1979.
8. HAARETZ, 2 December 1980.
9. Id., 4 December 1980.
10. MAARIV, 23 September 1980.

5058
CSO: 4800

ISRAEL

REASONS BEHIND SUPPRESSION OF ARABIC JOURNAL DESCRIBED

Doha AL-RAYAH in Arabic 29 Jan 81 p 12

[Article by Sadiq Nawwas: "Israelis Suppressed Magazine AL-HISAD Because of Photo of 'Arafat"]

[Text] AL-RAYAH has obtained all the details behind the decision by the Israeli occupation authorities to suppress the Arabic journal AL-HISAD published in occupied Jerusalem. The decision was prompted by an editorial written by the journal's owner and editor in chief, Attorney Husayn al-Shuyukhi.

On the evening of 2 January, two Israeli army units surrounded the printing shop of the newspaper AL-QUDS, which had begun printing the journal. At midnight, a third army unit raided the print shop, attacked the shop workers and the individuals in charge of the journal and carried away the copies that had been printed. The workers were bound and led to military vehicles.

In the morning, the occupation authorities released the apprehended workers. They sent an army force to summon the journal's editor in chief and informed him of their decision to suppress the magazine and stop its publication for 2 months.

The editor in chief rejected this unjust decision and decided to bring an appeal before the Israeli Supreme Court of Justice contesting the decision to suppress and ban the journal.

But why was the suppression decision made? The authorities were compelled to make this decision after learning through their own methods that the editor in chief of AL-HISAD planned to publish an editorial in the suppressed issue dealing with the dialog that took place between the editor in chief and the military censor concerning the journal's cover. This dialog clearly revealed the Israeli mentality which shrinks before any facts that confirm the existence of the Palestinian struggle, even if the form of a picture on a magazine cover showing Yasir 'Arafat, Bassam al-Shak'ah and Karim Khalaf together!

The journal chose a drawing of al-Aqsa Mosque and the Church of the Resurrection accompanied by a photograph of Yasir 'Arafat embracing Bassam al-Shak'ah and Karim Khalaf. However, the military censor said vehemently and nervously that this was not a cover but a revolution. Then he added that it is prohibited for 'Arafat to appear in the same photograph with Karim and Bassam. When the editor in chief offered to publish the cover with the picture of the three leaders only, the

editor insisted on deleting the photograph of 'Arafat and proposed that the cover be issued with a photo containing only one of the two figures. The editor in chief said in his editorial: "I threatened a more controversial photograph. But I wonder, is the censor this afraid of a photograph, of a picture? Is he this afraid of having the three personalities meeting together placed so near to Jerusalem? Am I breaking the censorship laws?" Near the end he remarked: "However, I decided to preserve the picture as the most precious thing I own because of the symbols it contains, even though I know it has become a 'prohibited article.'"

8591

CSO: 4802

ISRAEL

POOR WORKING CONDITIONS FOR ARABS CLAIMED

Jerusalem AL-FAJR in Arabic 30 Jan 81 p 5

[Article: "Conditions of Palestinian Workers in Israel; Bad Working Conditions; Mistreatment of Workers by Employees"]

[Text] As a result of the conditions prevailing in the occupied Arab areas, three classes of workers have emerged there. These classes can be summed up as follows:

1. Ordinary workers: These individuals work on a regular basis through the employment offices which are under the military administration. These workers receive wages varying between 50 and 70 shekels per day for 8 hours of work.
2. Irregular workers: These workers receive the same wages and are subjected to the same conditions, but they differ from workers in the first class in that they work on a haphazard basis and are not associated with the employment offices. Many of these workers are employed during the agricultural seasons in picking produce and packing fruit. In the other seasons of the year, they are forced to look for other places of work and are characterized by frequent change of residence.
3. Non-ordinary workers: These individuals are employed in Israeli workplaces without any association or coordination with any labor organizations and are not subject to any control. This type of worker is legally prohibited because most of the workers in this category are under the age of 16, and in most cases no more than 12.

These workers are the most profitable to an employer since they are not officially registered and the employer is not forced to pay government deductions or taxes such as social security, insurance and the like, while he deducts these sums from the gross pay of the workers.

While a worker in the first or second categories receives an average of 70 shekels a day, a worker of the third type only receives from 7 to 10 shekels and works approximately 14 hours a day.

The hidden incentives that cause workers of this third type to strive to go to work at such an early age stem from the urgent need of these workers to produce sources of livelihood. This need results from several factors:

--the poor material condition and low income of the family.

--the large size of the family.

--the failure of the worker in school.

As a consequence, looking for work has been the sole option and course of action open to these individuals. Thus the contractor--or labor broker--found a fertile market for such workers and move directly toward employing children.

This phenomenon spread at a considerable rate in the refugee camps as mentioned earlier, with the al-Jalzun camp being one example.

In this camp, there are some 300 female workers who fall under the third category. These girls, who range in age from 11 to 13, work under the worst possible working conditions. A labor broker transports the girls to work daily in a truck.

Work begins for these girls at 0400 and lasts until 1900, in return for which they receive a wage of 7 shekels a day.

Eleven-year-old Najwa 'Abdallah Hasan says she works in a place whose name she does not know located near Lod Airport. She is employed in picking and packing eggplants and goes to work at a very early hour.

She says that the employers do not allow the girls to have specified rest periods during the day, and then often beat the girls if they stop working and threaten to dock their wages.

Asked why she left school, Najwa replied that her family has 9 members--which is the average size family in the camp--and they suffer from poor economic conditions. Consequently, she was forced to go to work.

Subhi Zubaydi, age 20, says that he worked when he was 13 in a factory in Kefar Sava for a wage of 2 shekels when Israeli workers were getting 14 shekels.

Because he was working on an irregular basis, he might work up to 10 hours a day.

Sa'id Ramadan, age 23, says that he works in the Petach Tiqwa area in a factory that assembles prefabricated rooms for settlements. He works a total of 10 hours a day for a wage of 50 shekels.

Asked about his feelings about working in this particular place, he said:

"I hate my job very much. I finally accepted it after all my efforts to find honorable work failed.

"In addition, I support a family of nine."

Concerning his working conditions, he says: "There are 58 Arab workers in the factory and two Israelis are in charge of supervising the progress of the work.

These two supervisors mistreat the workers continually and we are not even allowed to talk to one another."

He adds: "I have a feeling of hopelessness, but I am very optimistic about the future."

These are a few samples of the conditions experienced by Palestinian workers in the occupied areas.

8591

CSO: 4802

MODERATE TREND NOTED IN ELECTION

Beirut THE ARAB WORLD WEEKLY in English 28 Feb 81 pp 6-9

[Excerpts] Going to the polls for the first time since 1976, 41,676 Kuwaiti (male) voters, representing a population of 1,300,000, headed to the polls on February 23, 1981, to elect a National Assembly which was quickly described as an "oppositionless" government.

Conservative and generally pro-government candidates won a landslide victory which showed that, in the final analysis, traditional tribal loyalties overcome the new trends, and even some of the old ones.

447 candidates, representing the various shades of the political spectrum allowed in the country, where organized political parties are not authorized, run for 50 parliament seats amidst expectations that the outcome would be a generally moderate House.

However, the resulting run-off was not entirely predicted and the elections reserved three surprises: first, the Arab Nationalist Movement was totally defeated. Led by Dr Ahmed Al Khatib, this movement dominated Kuwaiti parliamentary life in the 1960s and 1970s.

Second, Shiite representation was cut down from 10 to four seats. A surprising outcome since Shiites make up about 30 per cent of the male population.

Third, the polls revealed the emergence of a small but yet vocal group of Sunnite fundamentalist candidates who won four seats for the first time and are seen as constituting the only parliamentary opposition bloc, if one can speak of opposition.

Results and Remarks--The first conclusions drawn following the announcement of the elections' results underlined the following:

--The elections were conducted in an oppression-free atmosphere but the recent redrawing of constituencies is seen as having favoured the election or re-election of conservative candidates. Thus, the majority of the new House is loyal to the Kuwaiti authorities.

--All candidates belonging to well-known Kuwaiti families were elected.

--Bedouin representatives constitute almost half the total number of MPs: 23, known for their unconditional support for the present regime.

This led to another conclusion, namely, that an alliance between the ruling family and the Bedouin bloc would be enough to secure permanent majority for any cabinet.

--The other major victors were the moderates who account for no less than 18 seats.

--An impressive number of MPs have been elected for the first time.

Five Trends--These results have to be examined against the background of the candidates' allegiances and, in this respect, five trends or currents can be defined:

1. The representatives of remote regions, in other terms the bedouins. The recent redrawing of constituencies was seen as having favoured a wider bedouin representation because of the stabilizing role they can play. Their underrepresentation in the former parliament is seen as one of the main reasons why it was dissolved.

2. The moderates, whose outstanding representative is Mohammed Youseef Adasani, a former minister and former ambassador to Lebanon, who is expected to be elected Speaker of the House. Other prominent moderates are Jassem Al Saqr, Jassem Qatami and Ahmed Saadoun.

3. The Arab Nationalist Movement, headed by (former deputy) Dr Ahmed Al Khatib. Dr Al Khatib was, with PFLP leader George Habash, a co-founder of the movement in the early 1950s. Prominent representatives of the ANM are Abdallah Nibari, Sami Mneis and Ahmed Nafisi, all three deputies in the previous cabinet. In addition, candidates not officially members of the ANM were considered as close to it such as the director general of the AL WATAN daily Saleh Musaed.

There were 12 ANM MPs in the first Kuwaiti parliament but their number gradually decreased to four in the latest one which was dissolved. None was re-elected this time and the Khatib group lost to its main opponents, Jaser AL Jaser and Issa Al Shahim. Other candidates running on the "leftist" ticket did even worse: Sami Mneis, the director of the AL TALIA magazine lost to Saleh Fadallah and Youssef Al Ghanem, as well as Abdallah Nibari and Ahmed Nafisi. However, AL WATAN's director lost by only four votes.

It was also noted that the polls did not spare candidates considered to be dissidents from the Khatib bloc such as Jassem Qatami.

4. The Shiites, who make up between 15 and 18 per cent of the total Kuwaiti population, and who are divided between a pro-Khomeiny current and a moderate current. Most Kuwaiti Shiites are of Iranian origin and their defeat in the elections was all the more surprising as they were said to be fielding about 30 per cent of candidates.

Their relative failure, 4 seats only against 10 in the previous parliament was attributed to the redrawing of constituencies which, as certain observers see it, was meant at diluting Shiite electoral influence. The decision to reduce the Shiites' role in Kuwait was prompted by the fact that, last year, demonstrations were staged by Shiites expressing support for the Iranian religious leaders.

5. The Moslem fundamentalist, most of them regrouped in the "Society for Social Reform," which got three seats and preaches a return to the early days of Islam and the strict application of Islamic law in every aspect of private and public life. Another fundamentalist group, which also won seats in parliament, belongs to a trend called "salafiyah" and preaches a return to tradition. The Society for Social Reform is also said to be a sympathizer of the extremist Moslem Brotherhood organization.

A few days before the elections, Ahmed Jarallah, the chief editor of the Kuwaiti daily AL SIASSA wrote that most of the groups running for parliament represented a challenge to the tribal loyalties that prevailed in the past. He added, speaking of the voters that "if they choose the young technocrats (which constitute the moderates' group) it will mean one thing, and if they choose the religious groups, it will mean another thing." He said that "it will be a major indicator of how our society is accepting what has happened both inside and outside our country."

He went on to say that "of course, if the tribes core heavily, it will mean that our society has changed very little, despite all the wealth and development."

Candidates' Behaviour and Moves--Issues discussed by the candidates before the elections did not include the Iraq-Iran war, the Soviet intervention in Afghanistan, the Iranian revolution of super power rivalry in the Gulf area. The main issues were better public services and improvements on the welfare system. Lavish expenses were however made.

Forty eight hours before the elections, one report had it, the Kuwait government raised the salaries of public servants well beyond the promises of the most generous candidates in a move which was seen as reflecting the government's will to embarrass radical candidates and to demonstrate that the current system is capable and willing of meeting the political and social needs of the population.

Kuwait is the only Gulf country where free elections are held and this perhaps explains why the elections were barely mentioned in Gulf states newspapers. Bahrain's assembly is suspended; in the United Arab Emirates, the candidates are chosen by the Sheikhs. In other Gulf states, decisions are made by the ruling families with the help of a few close advisers. The Ruler of Kuwait still has the power to dissolve the assembly and all laws passed by it must be ratified by the Ruler.

One of the first issues that the new assembly will discuss when it meets early next month is whether women will be given the right to vote and to run for office. It is worth noting here that women, soldiers and absentee nationals are not allowed to vote.

ELECTION RESULTS, NEW PARLIAMENT ASSESSED

Paris LE MONDE in French 26 Feb 81 p 7

[Article by Lucien George: "The Ruling Family Managed to Get a Majority in the New Parliament"]

[Text] Beirut. Kuwait got a National Assembly on Tuesday, 24 February, after 4-1/2 years of no parliamentary life.

The defeat of the Arab progressive and nationalist opposition, which had been expected, was total since no candidate of that group was elected, not even its leader, Dr Ahmed Khatib. This is the first time that the Kuwaiti parliament will not include any nationalist deputies. They are those who, by virtue of their obstruction, had been behind the suspension of the constitution in August 1976.

A new opposition has made its appearance and it is religiously inspired; it was able to get five seats out of 50 and it is led by Mr Issa Majed Shahin. However, it should not bother the administration too much. Indeed, the ruling family has preserved the traditional sociological structures in spite of accelerated modernization: Islam is the state religion, women's rights are limited; in particular, they cannot vote and only 3.2 percent among them are included in the active population as of the latest census (1975).

The other parliamentary groups are as follows: the Bedouin deputies (23), the pro-government citizens belonging to the "establishment" (21), the Shiite deputies (four), although there had been ten of them in the preceding parliament, including two "Khomeinists" who are also potential oppositionists.

The Kuwaiti administration, it is true, had decided to restore parliamentary life after having made sure that there would be no surprises. Among other things, it increased the number of seats allocated to the underpopulated regions, in other words, the Bedouins, to 23; their allegiance to the ruling family is total and they account for almost half of the parliament now. This assures the government of an automatic majority, to the extent that the ministers who are not deputies have the right to vote, except when it comes to a vote of confidence.

This being so, the voting was quite regular and election participation was massive (more than 90 percent) but the number of voters is so small (about 40,000) that

all deputies were elected with less than 1,000 votes (maximum 968 votes, minimum 250 votes).

The ruling family it seems wanted to have a supplementary ace up its sleeve to counter any possible trouble, albeit minor, which however in any case would create a state of alarm among the population. The years 1979 and 1980 were marked by several incidents, including demonstrations, one of them hostile to the United States, and another one involving an assassination attempt directed against the Iranian foreign minister, Mr Ghotbzadeh, plus three dynamite attacks, the capture of vehicles carrying weapons, the hijacking of an aircraft, four suspicious fires, including one in an electric power plant and another one in a petroleum pumping station. These troubles have caused the expulsion of 18,000 foreigners who did not have the proper papers, including a naturalized Kuwaiti notable of Iranian origin on charges of pro-Khomeyni activities, plus the early retirement of 36 police officers.

5058

CSO: 4800

UK EQUITY PORTFOLIO BOOSTED

London 8 DAYS in English 28 Feb 81 pp 37-39

[Article by Paul Barker]

[Text]

THE KUWAIT INVESTMENT OFFICE (KIO) in London renewed activity at the beginning of February to enlarge shareholdings in some of the more significant stocks in its portfolio. This coincided with a call from the banking and finance manager of the Kuwait Industrial Bank for Oaptec countries to shift up to 60 per cent of their accumulated foreign assets into equity and real estate over the next 10-15 years.

The alarms raised at the estimated £3.2m (\$8.2m) worth of equity purchases by the local financial press, which presumably reflects opinion in the City of London, once again centre on the possibility of Kuwaiti 'interference' in company management, although perhaps not as fixedly as in previous years since 1974.

The Kuwaiti government, whose investment vehicle the KIO is, has always taken the lead in shifting surplus funds away from financing assets such as government bonds into equity, and has consequently had to have the adverse publicity attracted by such moves.

By looking in more detail at KIO investment in the UK, and its history of involvement in boardroom affairs, by examining Kuwaiti investment elsewhere in the world, and by quantifying the percentage of equity against total foreign assets, *8 DAYS* can show that Kuwait's interest in Britain is certainly no greater than in any other country (developed or developing), and that its faith in the recovery

of British manufacturing seems as low as that of the most ardent opponents of Mrs Thatcher's economic policies.

The accompanying table lists the more significant KIO holdings in the UK — these are only disclosed by the normally secretive investment company to comply with company law on disclosures of holdings of five per cent or more in publicly quoted firms. The table reveals the KIO's obvious preference for insurance companies, which in value terms clearly head the list of holdings, property companies and investment trusts, which since the abolition of exchange controls may well be placing funds overseas. A slight Scottish bias can also be discerned and reasonably attributed to the Scottish background of two of KIO's key investment managers, although it could also reflect the preponderance of Scottish-backed investment funds.

The table shows the KIO's lack of interest in British industrial and manufacturing stocks. An assessment of the value of these shares, at around \$1.5bn, also indicate what small bait they are compared to figures released by the First National Bank of Chicago estimating Kuwait's current account surplus this year at \$20.4bn, its net foreign assets at \$84bn and its investment income from abroad at \$6.3bn.

As for 'interference' in management, the KIO is if anything chided for its reticence. In 1979 it was called in by Decca, together with Prudential Assurance as major shareholders to discuss the company's

parious financial situation prior to its takeover by Rasal.

In the case of Hay's Wharf the KIO eventually had to make a bid for the company after acquiring a 30 per cent plus share via St Martins (Industrial), but in the board and management reshuffle, almost all the previous directors were retained in their executive positions — although they later resigned from the board — with Sheikh Fahd al Sabah, head of KIO, and F. K. Jaffar joining the board.

Perhaps because the Kuwaiti surplus continues to grow, the KIO very rarely disinvests to release funds, of all the shares listed, disinvestment has only been recorded in the Provident Financial Group and in Burmah and Trusthouse Forte, although in the case of the last two new shares were subsequently bought.

Since mid-1980 KIO's most favoured London listed share has been Harrison and Crosfield. After acquiring a 5.4 per cent stake in the company in August, the KIO has increased its holding in stages to 9.57 per cent. Interestingly, Harrison and Crosfield's business activity is almost totally based on the plantations of Southeast Asia, principally in Malaysia. Last week it was in the news after announcing plans to make an offer for an outstanding 53.4 per cent of the equity of London Sumatra Plantations, which as the name suggests has interest in Indonesia.

The Harrison and Crosfield connection seems to tie in with statements made by Kuwaiti Finance Minister Abdel Rahman Salem al Atiq last September, following a tour of Southeast Asia. He said that Kuwait intended to channel investment into the area as part of its general policy of diversifying both the type and location of investment.

The chairman of the Kuwait Real Estate Investment Corporation accompanied the finance minister, and was quoted as saying that Kuwaiti investment in Southeast Asia would begin in construction and later move on into industry and agriculture. The Kuwait Real Estate Investment Corporation is a significant shareholder in the joint venture Kuwait-Malaysian Investment Company, and only this month was given permission by the Singapore government to build a \$25m huge housing complex in the country.

Southeast Asia is far from being Kuwait's only area of interest apart from Britain. Last April, Kuwait and Austria agreed to establish a joint company to study and identify possible joint investment projects, and in July in Paris the Kuwaiti finance minister announced Kuwait's intention to invest in French financial markets and to participate in existing French industrial projects.

At the same time he decried the fact that the development of Arab economic power had not been matched by the development of the Arab states' financial regulations, with the result that investments had to be redirected to western financial markets.

Kuwait has also shown an interest in West Germany's manufacturing sector with shares in Metallgesellschaft (20 per cent), Daimler Benz (14 per cent) and Korf Stahl (25 per cent), and in Japan's electrical machine manufacturers and high technology firms. London has sometimes been the conduit for these Japanese purchases with the Kuwaitis buying up convertible bonds floated on the UK exchange. Finally, a recent Chase Manhattan study estimated that the Kuwait ministry of finance now has between \$1m and \$50m of the stock in almost all the Fortune 500 US companies.

INCREASE IN DEFENSE BUDGET ANNOUNCED

Kuwait KUWAIT TIMES in English 3 Mar 81 p 1

[Text]

KUWAIT announced yesterday that it had decided to spend an extra KD 500 million (\$1.8 billion) on defence over the next seven years.

An Amiri decree to this effect was published in the latest edition of the official gazette.

The additional budget was allotted at the recommendation of the Supreme Defence Council for strengthening the country's defence capabilities, providing the armed forces with advanced weapons and equipment and completing military installations.

The Defence Ministry budget for the fiscal year 1980/81 was KD 274 million, 9.4 per cent of the general state budget.

According to the decree, KD 46 more million will be added to the budgets of the ministries and public organisations to meet the work requirements.

Another KD 18 million will be paid to the public servants in implementation of this month's decision by the government increasing salaries of its employees.

Diplomatic sources said that since the Iran-Iraq

war erupted last September Kuwait had concluded that new arms purchases were needed.

Its vulnerability was shown by two Iranian air attacks last November on the country's Abdali region.

The decree said the extra money would be spent on "strengthening the armed forces, supplying with new weapons and equipment and completing military installations.

The diplomatic sources said aircraft, anti-aircraft defences, radar, tanks and navy equipment were all possible new purchases.

The government has repeatedly declared that Kuwait and the other Gulf states, which produce a quarter of the non-communist world's oil, must look after their own security without foreign help.

Kuwait last week signalled this determination to be independent by mounting its first military parade for more than 14 years, a big display of tanks, planes and missiles supplied by the United States, the Soviet Union, Britain and France.

Kuwait also buys Soviet arms to avoid becoming dependent on a narrow range of suppliers.

BRIEFS

CONVERSION TO ISLAM RISING--A paper issued by the Ministry of Justice yesterday showed an increasing number of persons converting to Islam in Kuwait compared to previous years. The paper noted that 178 persons declared their faith in Islam before the legal judge of the ministry in 1980. This marked an increase of 59 percent over the previous year. Of these, there were 131 ladies and 47 men. Of them 21 were Arabs, 28 Asians, 44 Europeans, 14 Americans and one Australian. In a detailed break-up of the converts previous faith the paper said 132 of the new Muslims were Christians, 24 Hindus, 20 Buddhists and two from other creeds. [Excerpt] [Kuwait KUWAIT TIMES in English 2 Mar 81 p 2]

ADDITIONAL SAVOY SHARES--London, Tues.--The Kuwait Investment Office has purchased a further 500,000 "A" shares in the Savoy Hotel group, bringing its holding to around 9.4 million shares, well-informed sources reported here today. The fresh purchase brings the stake in the Savoy by the Investment Office, part of Kuwait's Ministry of Finance, to around 23 per cent of the Savoy's voting stock, and about 33 to 34 per cent of its non-voting stock. This has expanded the office's stake to what is clearly a very significant holding in the Savoy group, which owns several topclass hotels in London as well as the famous Thames riverside hotel of the same name, the sources said. The size of the stake could also clearly lead to the nomination of one or two Investment Office men to the Savoy, the sources added. The office is already on record as stating that it considers its holding in Savoy as a "longterm investment," and is favourably impressed with the underlying asset value of the group. The Savoy group, suffering like other hotel chains from a depression in the London hotels and tourism business, hinted last week that it may be prepared to sell off part of the Savoy hotel itself for private development into offices and apartments. KUNA [Text] [Kuwait KUWAIT TIMES in English 25 Feb 81 p 2]

HAY'S NAME CHANGE--London, Tues.--The proprietors of Hay's Wharf, the British property and trading group which Kuwait acquired in a hotly contested takeover last July, has been re-named Hay's Group.--KUNA [Text] [Kuwait KUWAIT TIMES in English 25 Feb 81 p 2]

USE OF SEWAGE FOR FERTILIZER, IRRIGATION DISCUSSED

London 8 DAYS in English 28 Feb 81 p 53

[Article by John Dimsdale: "Less Waste, More Water for Gulf"]

[Text]

BAHRAIN, known for centuries as the 'Green Country', is as concerned to preserve its precious water as it is its oil. The island, just 56km long, has natural vegetation growing on only the highest third. In the 1930s this portion was enough to sustain the small farming community; now it is just one part of Bahrain's 4,000 square metres of hothouses and hydroponic units which provide vegetables and fruit for the local market.

Jersey and Friesian cattle have been introduced to counter the mounting bill for imported food, and are provided with fodder from six hectares of alfalfa, special grasses and roots which are watered by overhead sprinkler systems. This amount of land will be increased dramatically when the island's sewage plant at Tubli is completed in 1983. Treated effluent will then be used for irrigation.

Bahrain is providing a lead to other states trying to minimise their reliance on imported food. Bahrain and Oman, particularly, have limited natural water resources. While desalination of sea water provides an alternative source of drinking water, the process is expensive and the recycling of used water is increasing in importance throughout the Gulf.

The treatment of sewage has to overcome various problems. In recent years, consultants have designed large-scale projects in the region which minimise health risks and maximise the use of treated effluent. Using treated sewage for irrigation can be up to three times cheaper than using desalinated or treated brackish water.

In a recent paper, Peter Banks, a partner in the UK consultancy firm John Taylor and Sons, reviewed the achievements of different Gulf states. Each client government forms its own judgement of priorities for irrigation supplies — a cool, green, shady city, or a move towards self-sufficiency in timber or dairy products.

Of the United Arab Emirates, Abu Dhabi has the most extensive scheme for effluent irrigation in urban areas. The plan is to provide shade, visual relief and amenity areas. The trees, flowers and shrubs in central parks and on roundabouts are all treated with effluent and break up the monotony of the urban scene effectively.

Providing this amenity for a city of more than 250,000 people plus the surrounding mainland area has taken coordinated planning and the extension of sewage collection. Started in 1976, the system now collects and distributes 8m cubic metres of effluent a year. By 1983 it is planned to increase this to 70m cubic metres.

In Abu Dhabi, as elsewhere in the Gulf, distribution is affected by several factors. Nighttime watering has the advantage that evaporation rates are lower. On the other hand, labour and equipment are difficult to control at night, it is hard to see when a particular area has become saturated, and the sun has no chance to burn off any remaining bacteria. Night irrigation is, therefore, only used in high summer to supplement the daytime programme.

In Qatar, some municipal areas of the capital Dohar have been irrigated with

effluent since the 1950s. Only part of the daily 7m cubic metres of sewage available is recycled, mostly being used for road reservations. It is planned to supply 600 cubic metres a day to the racecourse turf and a trickle supply to individual trees throughout the capital. The agricultural complex at Al Ashara will also benefit.

Kuwait is using effluent for both agricultural schemes and forestry. (A recent Australian study has shown that pine trees treated with effluent enjoy an increased growth rate of over 70 per cent in a three-year period). Kuwait's policy has always been to use treated effluent only in areas away from public use and general access. Kuwait can afford to maintain this policy as it has developed alternative sources of slightly brackish water from Sulaybiya and Shagaya. This is used for irrigation within urban areas.

In Saudi Arabia, there is a planned strategy for extensive use of treated effluent in the growing industrial city of Jubail. The envisaged green, landscaped city will use a great deal of non-potable water. Both sewage and industrial waste water will be used in a high technology recycling process.

CS0: 4820

PERSIAN GULF AREA

BRIEFS

KUWAIT POLL--The Gulf breathed a sigh of relief as the first result of the Kuwaiti elections indicated a solid swing to conservative nationalism. On the final day of polling only 447 candidates remained out of an original list of nearly 530 hopefuls competing for 50 seats in the National Assembly. The Kuwaiti voters came out in force. According to local press reports, turnout was estimated at around 92 per cent of the 3.2 per cent of the population which was entitled to vote. The most marked trend of the election results was the success of the so-called technocrats, the young professionals, officials and academics, far more of whom stood than ever before. The feature that made other governments in the Gulf relieved about the results was the electorate's rejection of the religious fundamentalists. Only four Shiite candidates managed to secure seats, whereas in the last assembly their number was much higher. Iran's militant style of Islam was partly to blame for the Arab nationalists' lack of success, given their well-known pro-Khomeini views. 'Arab nationalism is an outdated concept,' said one Kuwaiti. 'This result means an end to all these concepts and perhaps the start of Gulf nationalism.' The old style of Nasser's pan-Arab nationalism somehow did not seem relevant any more, and the people were more interested in Kuwait setting a good economic and political example to the rest of the Gulf. [Excerpts] [London 8 DAYS in English 7 Mar 81 p 3]

CSO: 4820

SUDAN

COUNTRY STRUGGLES AGAINST MASSIVE DEBT

London AL-DUSTUR in Arabic 2-8 Feb 81 p 30

[Article: "International Reports Confirm: Sudan on the Brink of Bankruptcy"]

[Text] Several sources from West Germany, in addition to the Union of Arab and French Banks, agreed to reschedule Sudanese debts amounting to \$600 million over seven years. However, more than at any time in the past, Sudan faces a difficult situation with regard to its request to obtain new monetary supplies from Europe in order to escape shrinking foreign currency flow, which is down to a perilous level with the loss of world confidence.

Reports received from Khartoum state that a series of mistakes in planning and application in the economic field, especially in the agricultural sector, resulted from the current debt accumulation which Sudan is unable to pay. The significance of this attitude is that it leads to serious American pressures on the Sudanese government to apply more fiscal restraint and support "Camp David".

Japan and several European [Common] Market countries agreed to reschedule Sudanese debts amounting to \$497 million. Britain also pressured several financial institutions to extend the delay which was granted to the Sudanese government until it paid installments on the loans which had fallen due.

The Sudanese Central Bank's management may have pointed out the extent of decline in the financial situation in the brief comments published by several specialized Arabic publications recently. The management is reputed to have said that Sudan absolutely must pay at least the interest on the foreign debts in order to maintain minimum international confidence. This includes the loan about which a request was presented to the International Monetary Fund this year.

The sum which Sudan has paid during the past two years is \$3 million out of a base of \$600 million, which is the value of its debts to commercial banks in Europe and the United States. It is known that Sudan relies on several Arab nations as well as the United States in its foreign exchange. In the U.S., it ranks second behind Egypt in the value of aid received from Washington.

Sudan's importance to the American government escalated after the Standard Oil Company and its Chevron branch discovered oil fields in southwestern Sudan near the Chad border. Last week Sudan sent a delegation, headed by Minister of Planning

Nasr-al-Din Mustafa, to draw up a project to build an oil refinery in the area. They are consulting with other parties from the companies which exploit oil fields, the American government and the management of the International Bank.

There are many important factors which have taken part the decline of Sudan's economic situation, and most of them are factors which grew in the seventies. Theoretical planning in this period was ambitious to a degree which was not in keeping with reality, but regrettably came the application. To accompany this, thousands from the trained labor force and the intellectuals emigrated, along with waste and extravagance in certain aspects of public spending. Added to this is the problem of the refugees advancing upon Sudan from its southern border.

Foreign experts estimate Sudan's need at about \$400 million in foreign aid yearly, but they do not expect Sudan's economic crisis to relax soon.

9605
CSO: 4802

SUDAN

MINERAL RESOURCES, PROSPECTING DESCRIBED

London AL-DUSTUR in Arabic 9-15 Feb 81 p 19

[Article: "Minerals in the 'Numairy" Republic Buried Until Further Notice!"]

[Text] Khartoum, private for AL-DUSTUR--Economic analyses which pay attention to the framework of the Sudanese economy concentrate on the latent agricultural and livestock capabilities there which are not now adequately utilized. However, as regards mineral resources, the appraisal almost completely ignores it. Perhaps this is due to the lack of adequate information about mineral resources in Sudan, or perhaps it is due to not recognizing the available mineral resources without profitable exploitation.

This review of the most important mineral resources found in Sudanese territory must be only the introduction to a thorough examination of the many buried resources and their profitable exploitation. It is also an allusion to certain aspects of deficient exploitation by the current governmental regime. Sudan sleeps on buried treasure ... and talks about aid!

In Sudan there are more than two hundred areas recorded on indexes and maps where many raw minerals are located. However, up to now no detailed study has been made to appraise them and determine their quantities and how to exploit them. The most important minerals discovered in Sudan are:

Iron

It is found in fourteen known locations, the most important of them between [sic - at] latitude 21° 44' and longitude 36°45', in the northeastern section of the Red Sea mountains region, 167 miles from Port Sudan. Iron is found in this area in the form of variable sedimentary rocks permeated with volcanic rocks. Iron is also found in Kordofan in quantities reaching up to 35 million tons at concentrations at 63%.

Manganese

There is manganese in Sudan on the Red Sea coast, in central Sudan and in the area of Berber, west of the Nile. Studies carried out on this ore have not reached any conclusions, and the scant quantities which are currently mined are exported unprocessed for lack of a steel industry to take them in.

Chromium

There is about a million tons of chromium ore in the Blue Nile province, of which 30,000 tons is being mined. Most of it is exported abroad. Chromium is used in the metals industries and the chemical industries, like tanning skins. There are no industries which support local use of chromium in Sudan, or even increasing the quantities mined.

Copper

Copper ore has been known in the Sudan since the 19th century. The natives mined it and used it in local industries. The most important areas where it is mined are found in the Red Sea mountains and in southwestern Sudan (Darfur). The most important areas are recognized by copper mining pits. The government made several different efforts to study copper exploitation. The studies resulted in the discovery of six new mines, but for several years the discoveries did not result in any exploitation. In one of the copper pits alone there are 350,000 tons of pure copper.

Zinc and Lead

Zinc and lead are found in the Red Sea mountains and northern Darfur in the Kutum area. Sultan 'Ali Dinar mined lead from them, and ore is found in the variable rocks and flint veins. Geology Department studies do not present any conclusive estimates of the quantities of ore available. Zinc and lead ore exploitation requires many specialized studies.

Mica

Mica is located in the northern province in abundance, and it is of good quality. Mica exploitation in this area is done within extremely narrow limits, and limited quantities are exported abroad. Projects to mine it lack many studies, since mica is a mineral whose presence and quantity are hard to predict.

Aside from these minerals there are asbestos, gypsum, magnesite, vermiculite and kaolin ores in Sudan. These are minerals found in quantities with economic potential. Mining and exploiting them insures a positive addition to the Sudanese economy.

As for why these minerals have not been exploited as yet, there are numerous factors. Let us take, for example, what is stated in one of the official government reports in Sudan:

--Newness of the geological survey department and few technicians, whose number does not satisfy Sudan's need.

--Vast area of Sudan and great distances between cities and villages, in addition to climatic conditions which have made investigation nearly impossible.

--Communications difficulty and lack of improved roads and adequate railroads, which makes exploitation in most cases uneconomical.

If this situation is correct, Sudan's problem is not in exploiting its minerals, but in improving many of the conditions for exploitation!

9605

CSO: 4802

SUDAN

EXPORT, PRODUCTION POLICIES ANNOUNCED

Khartoum AL-AYYAM in Arabic 22 Jan 81 p 1

[Article by Hashim Karar: "AL-Maqbul Proposes General Policy for His Ministry Before the People's Council; Noticeable Improvement in Export Situation this Year"]

[Text] Mr Faruq Ibrahim al-Maqbul, Minister of Cooperation, Trade and Supply, stated that the export policy followed by his ministry to increase exports and production in order to create foreign resources can be summarized as permission to export any surplus which is granted to each capable and responsible exporter without resorting to unnecessary changes from time to time, which would affect our credit abroad or lose us certain markets due to the discontinuous flow of our products. Further policy is abolishing preferential treatment, opening the door to free competition, raising world prices for the product to induce it, continuous consultation with exporters' organizations and finding solutions for their problems, in addition to intensifying foreign contacts to open new horizons for Sudanese goods.

This was contained in the extensive report which His Excellency presented yesterday before the National People's Council concerning important policies of the Ministry of Cooperation, Trade and Supply.

Mr al-Maqbul expressed his expectations for noticeable improvement in the export situation for this year. He pointed out that the revenue from exports is expected to rise to \$547 million for goods other than cotton, compared with \$266 million in the past year.

Concerning the import policy followed by his ministry, the minister of Cooperation, Trade and Supply stated that this policy can be summarized as opening the import door to every capable importer who is obligated to pay taxes, gradually eliminating the system of quotas, lifting the restrictions on movement of the trade sector, and opening the field to importation through foreign accounts opened at local banks, as well as placing all goods in the open public concessions except for those which enjoy protection or which are still in the official market index, in addition to cancelling all permits and privileges.

Mr al-Maqbul pointed out that, as a result of the import policy, a noticeable improvement in the supply situation came about, confirming that there is no shortage of any imported commodity in the market.

The minister of Cooperation, Trade and Supply spoke of the cooperative movement, explaining the great expansion which unexpectedly happened to its formation, its size and its activities in various areas.

His Excellency announced that his ministry had finished preparing a proposal for a new law for cooperation. It will be proposed to the People's Council after it is submitted to the Council of Ministers. His Excellency pointed out that this law was decreed since the Law of Cooperation of 1973, which continues to regulate cooperative work, is not reckoned capable of encompassing the recently created categories which have evolved from the cooperative movement, such as specialized and group factional organizations and specific unions. The proposal also applies a decentralization system.

The Minister of Trade, Cooperation and Supply spoke about the Cooperative Trade Organization and the Cooperative Manufacturing Organization, reporting that his ministry had begun numerous measures to study the organizations from financial standpoints and to prepare rules to control their activities, down their administrative frameworks, and compile plans and programs to guarantee improving performance in the foundations.

His Excellency pointed out the organizations' activity in supporting cooperation and implementing international economic programs during the transitional phase.

At the conclusion of this report before the National People's Council yesterday morning Mr al-Maqbul also made it clear that his ministry has implemented a decentralization policy with respect to cooperation, pointing out that authorities have been commissioned to record, review, inspect, adjust and resolve disputes for the various provinces.

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